Empirical Research on Misleading Advertising: A Review

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PREFACE

This report presents the findings of a review of empirical research concerning misleading and deceptive advertising. The review resulted in the retrieval of 54 relevant studies carried out in the fields of business administration, communications, marketing, and psychology. The report was prepared for the Marketing Practices Branch of Consumer and Corporate Affairs, Canada.

The report consists of two main sections. The first is an annotated bibliography of the 54 studies. The second is an analysis that describes the major dimensions and issues that researchers have identified as pertinent to the study of misleading advertising. In addition, the abstracted studies have been coded on values of eight dimensions; and the coding system permits the retrieval of the studies relevant to a particular value.

The study was designed to be of value to those developing public policy concerning these issues, and for these carrying out research on misleading advertising. For the former, the report is intended to define the area, and to indicate how empirical data can be brought to bear on public policy decisions. For the latter, the report should give ready access to the existing literature, and indicate what problems have already been scrutinized.

We would like to thank N. Jill Carruthers, Consumer Officer, Marketing Practices Branch, for her guidance and encouragement; Drs. C. Dennis Anderson and Daniel Perlman of the University of Manitoba, for their thoughtful suggestions concerning the execution of this project; and Diane Benoit, for expertly and speedily typing the report.

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SUMMARY

Misleading advertising has become a focus of research activity only during the past decade. This development is a result of converging interests in the fields of business administration, law, marketing, and psychology; and of advertisers and governmental regulatory agencies. As reflected by the review of Armstrong, Gurol, and Russ (1980), many of the articles published to date have been ones primarily concerned with the definition of the concepts of misleading advertising. There is a growing consensus, however, that empirical research is needed to answer many of the basic questions of this realm: How can we decide whether an individual or group has been deceived by a message? How can we measure the understanding and misunderstanding of an advertising message? Is it possible to correct an attitude or belief that one has derived from a misleading communication?

The goal of this project was to identify and summarize empirical studies of misleading advertising that have already appeared in print. The literature survey revealed that such studies have primarily been carried out in the disciplines of business administration and psychology. Nevertheless, these studies also comment upon the legal, public policy, and theoretical aspects of misleading advertising.

This report includes two major sections. The first is an annotated bibliography of the articles retrieved in the literature survey, and the second is an analysis of the findings. The articles have also been coded on eight dimensions. A retrieval scheme is described in the section, Coding of the Articles.

The rest of this section summarizes the information presented in the analysis. This summary is intended to give the reader an overview of the more conspicious findings that have emerged from the research. The Analysis, of

course, links these findings to the research from which they were derived.

The proposals of several investigators converge on a definition of deception. For an advertisement to be considered deceptive, the message should (1) misrepresent reality; (2) be believed and remembered by the consumer; and (3) affect potential purchase decisions. Furthermore, (4) the general nature of the consumer and consumer market to which the advertisement is addressed should be taken into account; and (5) the assertions, implications, and general impression created by the message should all be considered.

Several techniques have been advanced for the measurement of deception. (1) The normative belief technique compares the consumer's assessment of the product with the product's objectively quantified properties. (2) The consumer impression technique entails asking people what was stated in an advertisement. (3) The expectation screening procedure compares expectations of those who have encountered a message about a product, with the expectations of others who are familiar with the product but have not examined the message. (4) The salient belief technique adds that a claim must be salient in a message before its accuracy should be of concern.

There is already some agreement about research findings that are emerging from this area of investigation:

1. Blatantly deceptive advertising claims tend to be easily disconfirmed by consumers once the claims are compared with actual products.

2. Deception can be subtle, such as when deceptive claims are conveyed implicitly. Consumers draw inferences from advertising messages, and often treat the implied ideas as asserted facts. It is difficult to train consumers not to do so.

3. Puffed statements are believed and are treated as statements of fact. Therefore, puffery can influence potential purchase decisions.

4. Corrective advertisements have the effect of dissipating false beliefs produced by deceptive advertisements.

5. Counteradvertising also has the effect or dissipating false beliefs produced by deceptive advertisements.

6. Many advertisements do not convey much information.

7. Consumers are not very good at understanding advertising messages, but this difficulty in comprehension is not restricted to advertising messages.

Numerous research methods have already been applied to the empirical study of misleading advertising. Surveys are relatively easy to construct and administer, but it is frequently difficult to interpret the data they yield. Experimental questionnaires, questionnaires in which experimental manipulations have been embedded, are more effective; because they permit a comparison among the responses of two or more Experimental and control groups. In other experiments, researchers examine behaviors, such as purchase decisions, rather than responses to questionnaires. Finally, content analysis is a technique that permits a description of the characteristics of a message.

There are other methodological issues that need to be considered in such research. The investigator needs to carefully ask whether the results of a particular study may be generalized to wider populations. The setting of misleading advertisement research is also of concern. The laboratory provides the opportunity for careful experimental control, but possibly at the cost of studying a situation that does not closely approximate the natural environment.

No comprehensive theoretical formulation of misleading advertising has been proposed, although many investigators of the problem have invoked principles of cognitive and social psychology. The latter have particularly emphasized the formation and change of the consumer's attitudes, beliefs, and expectations.

Courts of law have, in recent years, become more agreeable to considering

empirical evidence in relation to cases involving possibly misleading advertising. Decisions concerning the acceptability of such evidence are frequently based upon the adequacy of the methods used to collect the data.

Government agencies responsible for regulating advertising in the media need to be able to determine whether a message is deceptive, whether an advertiser needs to be warned about a particular advertising campaign, and whether an advertiser should be prosecuted. As such, empirical research on misleading advertising carries extensive implications for public policy. The reviewed articles consider several facets of this issue. Wilkes and Wilcox (1974) identify strategies that the advertiser can use to monitor the fairness of a claim. Mazis (1980) considers the implications of various trends detected in the activities of the American Federal Trade Commission. Finally, Boddewyn (1982) describes some of the "global forces" that either do or should affect the regulation of the advertising industry.

CODING OF THE ARTICLES

The 54 articles have been coded on eight dimensions that help to define the realm of misleading advertising. In relation to these articles, the dimensions had between three and nine "values." For example, the dimension "sample" had values including "American," "Canadian," and "college students." The dimensions and values are shown in Table 1.

Using this framework, each study was categorized according to as many of the values as it happened to pertain to. A given study could be coded on several values of a given dimension, or none at all.

The following system has beendevised to permit the retrieval of articles that have been coded on a particular value. First, the articles, in alphabetical order, have been numbered 0010, 0020, and so on, till 0540. This numbering scheme will permit other articles to be added to the bibliography in the future. Second, Tables 2 to 9, one for each dimension, list the numbers of the articles that have been coded on each of the values. Table 7, for example, lists the articles for each value of the dimension, "sample."

A few of the values included in Tables 2 to 9 have no corresponding articles. These values have been left in the coding scheme because future research will likely address them.

Table 1

Coding Dimensions and Values

Dimension	Values
Advertisement source	Actual Company
	Experimenter
	FTC
	FTC regulated
Dependent variables	Attitude toward subject of advertisement
	Deception
	Comprehension of advertisement
	Demographic/socioeconomic characteristics
	Intention to purchase
	Knowledge of advertising/FTC issues
	Purchasing behavior
Legal action	Considered, not taken
	Legal implications discussed
	Taken, conviction obtained
	Taken, no conviction obtained
Methods	Content analysis
	Experiment
	Experimental questionnaire
	Interview
	Longitudinal study
	Questionnaire
	Single versus multiple exposure to message

Table 1 (Continued)

Dimension	Value
Product/Service	Food
	Health and hygiene products
	Vehicles and related products
Sample	American
	Canadian
	College students
	Consumers
	Industrial
	Potential consumers
	Random
	Business students
Setting	Field experiment
	Laboratory experiment
	Naturalistic observation
Topic of study	Corrective advertising
	Deceptive advertising
	Industrial regulation issues
	Legal issues
	Methodology
	Puffery
	Research issues

Table 2

Article Numbers: Advertisement Source

ACTUAL COMPANY:										
0030	0040	0110	0120	0130	0180	0220	0270	0290	0300	0310
0380	0450	0460	0470							
EXPERIMENTER:										
0080	0090	0150	0200	0210	0400	0500	0520			
FTC:										
0130	0280	0330								
FTC REGULATED:										
0010	0050	0140	0230	0240	0250	0330				

Table 3

Article Numbers: Dependent Variables

ATTITUDE TOWARD SUBJECT OF ADVERTISEMENT:

0030 0050 0120 0130 0180 0230 0240 0250 0300 0330 0380

0450 0460 0500 0520

DECEPTION

0010 0030 0120 0140 0290 0380 0460 0470 0540

COMPREHENSION OF ADVERTISEMENT:

0040 0080 0090 0110 0120 0150 0190 0200 0210 0220 0270

0280 0400 0470

DEMOGRAPHIC/SOCIOECONOMIC CHARACTERISTICS

0110 0540

INTENTION TO PURCHASE:

0050 0130 0180 0380 0460 0520 0540

KNOWLEDGE OF ADVERTISING/FTC ISSUES

0050 0300 0430 0460 0540

PURCHASING BEHAVIOR:

0460 0500 0540

Table 4

Article Numbers: Legal Action

CONSIDERED, NOT TAKEN:

0280

LEGAL IMPLICATIONS DISCUSSED:

0120 0290 0300 0430 0450 0540

TAKEN, CONVICTION OBTAINED:

0010 0050 0130 0140 0230 0240 0250

TAKEN, NO CONVICTION:

(None)

Table 5

Article Numbers: Methods

EXPERIMENT:

0040 0080 0090 0190 0200 0210 0220 0400 0470 0500 0520

EXPERIMENTAL QUESTIONNAIRE:

0010 0030 0120 0130 0140 0150 0180 0240 0250 0270 0330

0380 0450

INTERVIEW:

0050 0290 0300 0430 0540

LONGITUDINAL STUDY:

0080 0140

QUESTIONNAIRE:

0110 0280 0430 0460

SINGLE VERSUS MULTIPLE EXPOSURE TO MESSAGE:

0090

CONTENT ANALYSIS:

0310 0410

Table 6

Article Numbers: Product/Service

FOOD:

0030 0180 0290 0380 0500 0540

HEALTH AND HYGIENE PRODUCTS:

0010 0030 0120 0140 0150 0180 0280 0300 0330 0470

VEHICLES AND RELATED PRODUCTS:

0040 0050 0180 0230 0240 0250 0470

Table 7

Article Numbers: Sample

AMERICAN:

0010 0030 0040 0050 0080 0090 0110 0120 0130 0140 0150

0180 0190 0200 0210 0220 0230 0240 0250 0270 0280 0290

0300 0330 0380 0400 0450 0460 0470 0500 0520 0540

CANADIAN:

0430

COLLEGE STUDENTS:

0010 0080 0090 0130 0140 0180 0190 0200 0210 0220 0230

0280 0400 0470 0500

CONSUMERS:

0460

INDUSTRIAL:

0300 0430

POTENTIAL CONSUMERS:

0050 0270 0380

RANDOM:

0030 0040 0110 0280 0290 0450 0540

BUSINESS STUDENTS:

0120 0150 0240 0250 0330

Table 8

Article Numbers: Setting

FIELD EXPERIMENT:

0040 0050 0110 0270 0290 0290 0300 0380 0450

LABORATORY EXPERIMENT:

0010 0030 0080 0090 0120 0130 0140 0150 0180 0190 0200

0210 0220 0230 0240 0250 0280 0330 0400 0470 0500 0520

NATURALISTIC OBSERVATION:

0310 0410 0430 0460 0540

Table 9

Article numbers: Topic of Study

CORRECTIVE ADVERTISING:	
	0010 0050 0130 0140 0230 0240 0250 0260 0280 0330
DECEPTIVE ADVERTISING:	
	0010 0020 0030 0040 0080 0090 0110 0120 0150 0160 0170
	0180 0200 0210 0220 0260 0270 0290 0300 0310 0350 0380
	0390 0400 0410 0430 0460 0470 0480 0490
	0500 0510 0530 0540
INDUSTRIAL REGULATION ISSUES	
	0050 0060 0070 0120 0260 0300 0320 0340 0430 0440 0460
	0480 0530
LEGAL ISSUES:	
	0020 0100 0260 0300 0320 0360 0420 0440 0540
METHODOLOGY	
	0020 0030 0040 0130 0160 0170 0220 0270 0280 0330 0340
	0350 0360 0380 0390 0420 0440 0500
PUFFERY	
	0170 0370 0440 0450 0480 0490 0510 0520
RESEARCH ISSUES	
	0020 0060 0350 0390 0420 0440 0510

ANNOTATED BIBLIOGRAPHY

The following summaries are of two sorts. Summaries of empirical studies are subdivided into sections, usually headed Objectives, Method, Variables, and Findings/Implications. The summaries of the more general articles that were reviewed are presented in a single paragraph.

Armstrong, G. M., Gurol, M. N., and Russ, F. A.
1979 Detecting and Correcting Deceptive Advertising. Journal of Consumer Research, 6, 237-246.

Objectives: To analyze deceptive advertising using the salient belief technique (SBT). This technique defines an ad as deceptive if it produces salient false beliefs in an individual, that is, false beliefs that are relevant to the consumer's purchase decisions. Three objectives were pursued: (1) to use SBT to measure deception in a case where the FTC has already determined that an ad is deceptive (the Listerine ad); (2) to assess the effectiveness of corrective ads; (3) to see if the source of the corrective advertisement is an important factor in corrective advertising effectiveness.

Method: An experiment was conducted using 134 students at a large state university. The subjects were divided into four groups and shown filmed deceptive and corrective ads for Listerine (as well as control ads). Groups 1, 2, and 3 saw the Listerine ads for the first treatment; in the second treatment, Groups 1 and 2 saw corrective ads (Group 1 viewed a company-source ad, Group 2 an FTC-source ad). Beliefs were measured using a questionnaire.

Variables: Independent: deceptive versus nondeceptive advertisement; corrective versus no corrective ad; source of corrective ad (company versus FTC). Dependent: Salient Deception Score (SDS) calculated on every false claim (belief score x subjects' salient score).

Findings/Implications: Exposure to Listerine ads was found to produce a significant increase in SDS scores, indicating that the ads were in fact deceptive. No short-term or long-term effects of source were found. Corrective ads significantly reduced deception scores, and the effect persisted over time (although there was a tendency for SDS scores to increase over time).

Armstrong, G. M., Gurol, M. N., and Russ, F. A.
1980 Defining and Measuring Deception in Advertising:
A Review and Evaluation.
In J. H. Leigh and C. R. Martin (Eds.), Current Issues and Research in Advertising. Ann Arbor: The University of Michigan, 1980.

This article provides a summary of the recent work on deceptive advertising. The first section deals with conceptual approaches to deceptive advertising, and three main issues are identified. First, the literature has emphasized the need for consumer research as a tool for identifying deceptive advertising. Second, there is an emphasis on defining deception from the consumer viewpoint; a typical methodology suggested is to compare the beliefs of a groups of consumers exposed to a deceptive ad, to the truth, or to an appropriate control group. Third, conceptual approaches to measuring deception have been advanced, with an emphasis on designating which beliefs are significant and relevant to potential purchase decisions. The second section of the article reviews the empirical research reported in this field. First, studies of perceived deception are discussed. These studies involve asking individuals whether they believe that a particular ad is deceptive. Second, many studies have examined functional deception. In these studies, consumers' beliefs about a brand or advertising claim are measured and then compared to the truth. Two methods have been used: the normative belief technique (measurement of general consumer beliefs) and the salient belief technique (measurement of beliefs that presumably could be salient to purchase decisions). The third section provides an evaluation of the literature. Two questions are examined: (1) what are the best measures of deception, and (2) what standards of corporate behavior should be adopted.

Armstrong, G. M., Kendall, C. L., and Russ, F. A.
1975 Applications of Consumer Information Processing Research to Public Policy Issues.
Communication Research, 2, 232-245.

Objectives: To provide a measure of deception and to illustrate its potential utility experimentally.

Method: Four potentially deceptive ads were selected, one each for spaghetti, a loan institution, an insecticide, and a deodorant soap. Each ad made 10 distinct claims. Subjects were selected from church and PTA groups. The procedure was first to present the ads to the subjects; they were then asked to indicate (1) which claims they perceived, (2) the importance of each claim to purchase decisions, and (3) whether the claim was true or false.

Variables: perception of ad claims; importance of ad claims to purchase decisions; truthfulness of claim.

Findings/Implications: The measure provided by the authors is the following:

$D^*_{ijk} = P_{ijk} B_{ijk} W_{ijk}$ where

D^*_{ijk} is salient deception for consumer i on ad claim k of ad j

P_{ijk} is consumer i's perception score for claim k of ad j

B_{ijk} is respondent i's belief score for claim k of ad i and

W_{ijk} is the importance of claim k to the respondent i.

The results of the experiment are broken down by ad: (1) spaghetti -- 14% of subjects dropped to 3% when only salient ad claims were included; (2) loan institution -- 50% were deceived, but only 19% were deceived by salient ad claims; (3) insecticide -- 44% were deceived by salient ad claims; (4) deodorant soap -- 36% were deceived by salient ad claims.

Barbour, F. L., and Gardner, D. M.
1982 Deceptive Advertising: A Practical Approach to Measurement. Journal of Advertising, 11, 21-30.

Objectives: To develop a practical approach to detecting deceptive advertising.

Method: Actual newspaper ads (with brand names disguised) were selected on the basis of the existence of two features which could potentially deceive the consumer: (1) Ads presented a fairly small tire at a low price, but most cars would require a larger tire; (2) little or no mention of the cost of installing the new tires was included in the ads. Subjects were chosen from a midwestern city, and they ranged in age from 18-60 years. Their participation was requested; 50% or 103 subjects agreed. Subjects were first asked the make and year of their own cars. Then they read the four ads, and were asked to estimate the cost of purchasing and installing new tires on their cars. The subjects were then given a previously obtained actual estimate.

Variables: Difference between the subjects' estimates and the actual estimate.

Findings/Implications: The ads were found to be deceptive, since 95 of the 103 subjects underestimated purchase and installation costs by an average of 26%. The authors conclude that they have developed a straightforward and helpful way to detect deceptive advertising.

Bernhardt, K. L., Kinnear, T. C., Mazis, M. B., and Reece, B. B.
1980 Impact of Publicity on Corrective Advertising Effects.
Advances in Consumer Research, 8, 414-415.

Objectives: To examine the effectiveness of corrective advertising by focusing on an actual case, STP motor oil additive, and measuring the change in attitudes of readers of various magazines in which the corrective ad appeared (Wall Street Journal, Washington Post, Newsweek, etc.).

Method: The STP Corporation was ordered in February 1978 to discontinue certain ad claims and to place a "public notice" ad in 14 periodicals. Just before the public notice ads appeared, 823 persons at least 18 years of age or older and who were regular readers of the periodicals used in this study were interviewed by telephone. These same persons were interviewed again about three weeks later, approximately two weeks after the public notice had appeared.

Variables: Knowledge of problems with STP advertising; intentions to purchase STP; attitudes toward the STP corporation; credibility of motor oil additive claims.

Findings/Implications: Following exposure to the corrective ad, participants became more aware of problems with STP advertising and had decreased intentions to purchase the product. There was no effect on attitude toward STP, or on the credibility of motor oil additive claims in general.

Bernhardt, K. L., and Stiff, R.
1980 Public Policy Update: Perspectives on the Federal Trade Commission,* Advances in Consumer Research, 8, 452-454.

This report summarizes the discussions that took place at a special session devoted to research developments and future research interests at the FTC. Six areas were identified as being of future importance: (1) credit programs, including debt collection practices and deficiency judgements; (2) comparative disclosures, which provide comparative information about products to enable consumers to make more informed purchase decisions; (3) product quality and defects, particularly concerning housing and automobiles; (4) the marketing of and advertising for professional services; (5) implications of new media (video-text, videodisc, cable communications) for marketing and advertising; (b) energy, health care, transportation, and food as products of most concern. The authors note that empirical research has become extremely valuable to the FTC and is used to decide questions such as whether and how to regulate, whether programs should be initiated or terminated, the formulation of consumer programs, and identifying consumer needs and agency priorities. Research methods that are currently used by the FTC include survey, questionnaire, laboratory experiment, and content analysis. Current topics of research include the effect of STP and Listerine corrective advertising, the effectiveness of affirmative disclosure, and a study of what kind and how much information advertisements communicate.

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*Views reflected in this report are of the authors, not the FTC or its officials.

Boddewyn, J. J.
1982 Advertising Regulation in the 1980's. The Underlying Global Forces. Journal of Marketing, 46, 27-35.

Boddewyn reviews the forces that affect decisions concerning the regulation of the advertising industry. Consumer protection is, of course, the major factor, the results of which have been (1) an increase in requirements for ad presubstantiation and preclearance, (2) reversal of the burden of proof so that it is now placed on the advertiser, (3) demand for more informative ads, (4) ban on various claims and wordings, (5) mandatory inclusion of certain messages, and (6) demand for corrective advertising. Many examples of these results are provided. The other factors Boddewyn cites include: (1) growth of the services industry, producing the need to protect against abuses and deception in insurance and investment schemes, the mail-order industry, etc.; (2) fairness and vulnerable groups, including the issue of advertising directed at children, and the advertising of Breastmilk Substitutes to women in underdeveloped countries; (3) new media technologies, which can provide the consumer with more information than previously, but could potentially blur the distinction between ads and information; (4) trade protection (one business attracting another for unfair trade practices), which tends to increase during times of economic recession; (5) environmentalism and conservation, which movements have attacked outdoor advertising (billboards, electric signs); (6) civil rights and privacy, including the question of ethnic and sexist stereotypes contained in advertisements, and the violation of privacy associated with unsolicited mail and phone calls; (7) religion, morality, and taste, such as the protests over ads for feminine hygiene products and the sexual connotations and innuendoes used in advertising; (8) recession and inflation, where recession typically leads to demands from business for more trade protection (especially from foreign competitors), and inflation to demands by the consumer for more information so that shrinking incomes can be spent more wisely; and (9) deregulation, a phenomenon which, though often associated with politically conservative and economically depressed times, can lead to industry abuses.

Bruno, K. J.
1980 Discrimination of Assertions and Implications: A Training Procedure for Adults and Adolescents.
Journal of Educational Psychology, 72, 850-860.

Objectives: To train both adults and adolescents to make the discrimination between implications and assertions contained in ads and stories.

Method: Two experiments were conducted; both used a pretest-training-posttest procedure. In Experiment 1, ads and stories were presented to 32 Kansas State University students. The information was stated either explicitly (assertion) or implicitly (implication). Subjects first were tested on their ability to make the discrimination. Half of the subjects were then trained to make the discrimination; the other half served as controls and did not receive the training. Finally, subjects were again tested. Experiment 2 was virtually identical, except that (1) 64 junior high school students as well as 32 KSU students participated and (2) training was slightly modified to emphasize more strongly the distinction between assertion and implication.

Variables: Experiment 1: Independent: ads versus stories; assertion versus implication; training versus no training.
Dependent: ability to discriminate assertions and implications.
Experiment 2: Same as Experiment 1, except for the addition of the independent variable adults versus adolescents.

Findings/Implications: In both experiments, the following effects were obtained: (1) Subjects tended to draw inferences more often about ads than about stories (c.f. Preston and Scharbach, 1971); (2) trained subjects did not really learn to make the discrimination in question; instead, training seemed to produce a general skepticism about both ads and stories, and implications and assertions; (3) adults and adolescents did not differ in any interesting respect, except that adults benefited slightly more from training. The author concluded that her training procedure was not as useful as would be desired by consumer educators. The discrimination appears to be difficult for subjects to learn, at least using currently available teaching methods.

Bruno, K. J., and Harris, R. J.
1980 The effect of repetition on the discrimination of asserted and implied claims in advertising.
Applied Psycholinguistics, 1, 307-321.

Objectives: This study sought to assess (1) whether subjects trained to discriminate between asserted and implied claims in advertisements would be bett able to make that discrimination than control subjects, and (2) whether this discrimination ability would improve over repetitions of the ad and instructions.

Method: This experiment used 40 Kansas State University undergraduate psychology students. The subjects were divided equally into two groups, one training and one control. Twenty-two simulated (fictitious) radio ads were constructed such that each ad claim appeared in one of two versions: implied or asserted. The subjects heard the ads and then answered a 44-item test set by rating statements about the ad claims as either true, probably true, indeterminate, probably false, and false. Four such sessions were conducted over ten days. During the first session, subjects in the training condition were given detailed instructions on how to discriminate implied and directly asserted claims. Before each subsequent session, these training subjects got a reminder of their instructions. Control subjects received instructions on an irrelevant aspect of advertising; these instructions were included to make the two groups as similar as possible.

Variables: Independent: training versus control; claim type (directly asserted versus implied); session (1, 2, 3, or 4).
Dependent: response on truth-value rating scale.

Results: The following results were obtained:
(1) trained subjects discriminated asserted and implied claims better than controls;
(2) the ability to discriminate improved over sessions.
(3) the overall difference between asserted and implied claims was significant;
(4) session interacted with training, indicating that repetitions improved discrimination ability only in the training condition;
(5) claim interacted with training, indicating that discrimination ability was observed only for trained subjects;
(6) session interacted with claim type, suggesting that discrimination ability improved over sessions;
(7) training interacted with session and claim type, indicating that ability to discriminate over sessions was restricted to trained subjects.

Overall, discrimination ability improved over sessions (repetition) when the subjects received training on how to make the discrimination in question. The results are discussed in the theoretical context of information processing and cognitive psychology.

Cohen, D.
1974 The Concept of Unfairness as it Related to Advertising Legislation. Journal of Marketing, 38, 8-13.

Protection of the consumer from advertising abuses may involve monitoring unfair as well as deceptive practices. The two are quite similar, but unfairness is more difficult to identify because public values must be taken into account. Therefore, it would be helpful to have criteria by which to assess whether deception or unfairness is present. The author provides such criteria.

Deception - An ad may be said to be deceptive if: (1) a claim made is blatantly false; (2) two meanings can be inferred from the ad, one of which is false; (3) the ad does not provide sufficient information; (4) a claim is true but proof offered to establish its truth is false; and (5) a claim is literally true but it or the entire ad creates a false impression. Cohen provides useful examples of cases in which companies have violated these criteria and have been found guilty of deception.

Unfairness - An advertising practice may be said to be unfair if any of the following criteria are satisfied. (1) A claim is not adequately substantiated. This practice should be considered unfair because the consumer incurs an economic risk if the product is purchased and does not perform as advertised. It would be necessary to determine both what is to be considered substantiating evidence and whether the company in fact supplied it. (2) An ad encourages special audiences to engage in actions harmful to themselves. For example, ads that encourage children to buy soft drinks are unfair. (3) A claim is not objectively false but makes promises that cannot be fulfilled (which may or may not involve the use of puffery). For example, the "subjective claim" includes promises such as that a toothpaste can "beautify one's smile". Or, the "unconscionable claim" (advertising claim that uses an element of unfair surprise) may be used, such as when a contest actually gives away far less money in prizes than advertised. The author concludes by stating that if marketers and advertisers have these criteria and, as a result, "know where they stand," they are far less likely to engage in practices that could result in costly and time-consuming litigation.

Cunningham, I. C. M., and Cunningham, W. H.
1977 Standards for Advertising Regulation.
Journal of Marketing, 4, 92-97.

Objectives: To determine (1) whether people understand terms commonly used in advertising, and (2) whether level of understanding is a function of education.

Method: Questionnaires were mailed to 2200 residents of a medium size Texas city, and respondents were randomly selected from a telephone directory. Respondents were asked 12 questions, to which they replied "true" or "false." The questions were definitions of frequently used advertising terms; for example, "disk brakes are a type of air brake." The respondents were broken down into five categories of education ranging from incomplete high school to post-graduate.

Variables: Independent: education. Dependent: understanding of terms.

Findings/Implications: Terms were generally quite poorly understood; most were understood correctly by less than 50% of respondents. There was some tendency for the more educated to perform better, but the effect was not significant. Even the most educated subjects made a large number of errors.

Diener, B. J.
1977 The Fulfillment of Consumer Promotions as a Source of Consumer Dissatisfaction. In H. K. Hunt (ed.), Conceptualization and Measurement of Consumer Satisfaction and Dissatisfaction. Cambridge, Mass.: Marketing Science Institute.

Background Information: The author investigated a case of promotional deception. In 1975, ads were run in leading national magazines (e.g., Seventeen, Glamour, Ladies Home Journal) by "Skincare Collections." The ads featured full-sized pictures of various toiletries put out by manufacturers such as Bonne Bell, Charlie, and Estee Lauder, and offered these products free ($1 for postage and handling). Actual samples received were only 1/30 of an ounce, despite the full-size depictions and even the clear visibility of size designations. Many consumers received nothing at all. This promotion was undertaken without the consent of the featured product manufacturers. As a result, the companies were alarmed to receive complaints from angry and dissatisfied consumers, who believed these companies, rather than "Skincare Collections," were responsible. The study reported here was conducted at the request of Jess Bell, president of Bonne Bell cosmetics.

Objectives: To determine whether "Skincare Collections" ads (1) deceived subjects about the ad sponsorship; (2) deceived subjects about the quantities they would receive; (3) caused subjects' attitudes toward the perceived sponsors to change negatively: and (4) produced negative emotional reactions to this ad and this type of advertising.

Method: Thirty-six women taking a graduate course in management at Case Western Reserve University were chosen. Subjects first read the ad, stated who they thought were the sponsors of the ad and how much of the products they expected to receive, and rated the various sponsors' reputations on a scale of 1-5. Subjects were then shown the 1/30 of an ounce sample and asked to describe their feelings toward the sample and the sponsor, whether they felt misled, and to state whether such ads should be allowed and how strongly they felt about this.

Variables: Deception regarding sponsorship; deception regarding the quantity expected; shift in attitude toward perceived ad sponsor; feelings about sample, whether deceived, and whether such ads should be allowed.

Findings/Implications: (1) All respondents gave at least one of the product companies as sponsors of the ad; only 2 of the 36 thought another "association" had sponsored the ads as well as the product companies. (2) No one expected a sample as small as the one received; many expected full-sized samples. (3) A negative shift in attitude toward the perceived sponsors was observed; subjects disagreed that the company had a good reputation and gave consumers good value. (4) Subjects used phrases in describing their feelings about the packet that signified anger and outrage. (5) 94% felt they had been misled by the size of the products represented in the ad. (6) 92% felt offers such as this one should not be allowed; 89% felt strongly or somewhat strongly about this. The author concluded that the ads were deceptive and hurt the reputations of the product companies, who were not responsible for its existence. (In fact,

in response to the ad in question, Bonne Bell ran a counter-ad identifying the ad as deceptive, pointing out the company's innocence, and suggesting ways in which the consumer could be compensated or protected from such practices. Bonne Bell worked with the Office of Consumer Affairs and the FTC to develop a trade regulation rule to prevent such incidents from recurring).

Dyer, R. F., and Kuehl, P. G.
1974 The 'Corrective Advertising' Remedy of the FTC: An Experimental Evaluation. Journal of Marketing, 38, 48-54.

Objectives: To evaluate the consequences of the FTC's corrective advertising policy on attitudes toward brand, ad, and company.

Method: Attitudes and perceptions were measured by giving 484 undergraduate students at a large university a questionnaire following exposure to either a print or broadcast medium corrective advertisement.

Variables: Independent: (1) Source of the corrective ad (company versus FTC); (2) strength, defined as the directness and intensity with which the corrective ad stated the company's guilt of deceptive advertising (high, low, and zero strength).
Dependent: Brand awareness; attitude toward the brand; attitude toward the ad; perceptions of corporate image. All dependent measures were taken following exposure to the corrective ads.

Findings/Implications: Corrective messages that were made by the FTC rather than the company resulted in higher brand awareness and a decrease in intention to buy the product. FTC messages were also perceived as being more informative than company messages. Using the broadcast medium, high- and low-strength messages resulted in the perception of the firm as careless; when the message came from the FTC, the company was perceived as being powerful. In the case of the print medium, the company-source high-strength message produced an image of a more trustworthy firm; the FTC-source high-strength message, on the other hand, produced an image of a more unscrupulous firm.

Dyer, R. F., and Kuehl, P. G.
1978 A Longitudinal Study of Corrective Advertising.
Journal of Marketing Research, 15, 39-48.

Objectives: To assess the effectiveness over time of corrective advertising. Two general questions were asked: (1) Are brand beliefs of people exposed to Listerine ads (deemed deceptive by the FTC) significantly different from controls?; (2) Will exposure to a single corrective ad produce beliefs similar to those of controls?

Method: Subjects were selected from adult education classes at a large university. They varied in age from 18-37 years. Eighty-six subjects were selected and 72 of them completed the study. The study was a three-phase longitudinal experiment. In Phase 1, subjects heard a lecture on "Creative Techniques in Advertising," after which they were exposed to Listerine and other mouthwash ads. Beliefs about the brands to which they were exposed were measured by a questionnaire. The second phase was conducted three weeks later. One group of subjects saw the Listerine ads, and a second group received the corrective advertisements. The corrective ad was either from the company or the FTC. Again, the questionnaire was administered. Phase 3 was conducted three weeks after Phase 2. The questionnaire was administered to the subjects in order to assess long-term beliefs about the products tested.

Variables: Independent: (1) time period - precorrective exposure, immediate post, and a three weeks post; (2) corrective message - FTC source, company-source, and control; (3) products - Listerine and other brands. Dependent: brand beliefs about Listerine. Does Listerine (1) prevent colds and sore throats, and (2) kill germs. The first claim is false and the second claim is true.

Findings/Implications: Subjects tended to believe that Listerine prevents colds and sore throats and kills germs. The single corrective ad produced a decrease in these beliefs and the FTC-source ad appeared to be more effective. Over time, this decline levelled off but not to precorrective ad levels. Corrective ads did not reduce beliefs about Listerine to the same level as the control subjects. Therefore, the Listerine ads do appear to be deceptive, and although the corrective ads are effective, they do not eliminate false beliefs to the extent of equalizing Listerine-exposed and control subjects. In addition, corrective ads had the effect of reducing the incidence of the belief that Listerine kills germs, which is not a false claim; perhaps corrective ads have the undesirable effect of removing some true as well as some false beliefs.

Finn, D. W.
1980 Inferential Belief Formation Through the Use of Non-information: An Example.
Advances in Consumer Research, 8, 344-348.

Objectives: To study the "impact effect" (inferential beliefs formed unexpectedly due to an interaction between conveyed information and preexisting knowledge) resulting from the absence of particular salient information.

Method: Subjects were 231 (including 101 control subjects) undergraduate business students at a large northeastern university. Experimental subjects were exposed to an ad for a fictitious brand of toothpaste. An unknown brand was used because the experiment measured belief change, which can be assessed by comparing experimental and control groups, but only if both groups bring similar or no beliefs about the brand into the experimental situation. Control subjects were told only that they would be administered a questionnaire in order to obtain their beliefs about a new brand of toothpaste. The ads were presented in written form and omitted two pieces of of information: whether the toothpaste had the American Dental Association seal of approval, and the cost of the toothpaste relative to other brands.

Variables: Independent: Presentation versus non-presentation of the ads.
Dependent: Beliefs about brand cost and ADA approval.

Findings/Implications: Compared to the control subjects, the experimental group tended not to believe that the toothpaste had the ADA seal or that it was priced similarly to other brands. The authors explain these results as follows: Control subjects expected the ADA seal and the comparable cost based only on their past experience with toothpaste. The experimental subjects, on the other hand, reasoned that if this information were true, it would have been stated in the ad. The omission of critical information, then, which presumably may mislead the consumer, was shown in this experiment not to deceive consumers. The subjects decided that those two desirable attributes of toothpaste were not possessed by the particular brand they examined because, if they were, the ad would have said so.

Gardner, D. M.
1975 Deception in Advertising: A Conceptual Approach.
Journal of Marketing, 39, 40-46.

Gardner proposes the following definition of deception: "If an advertisement (or advertising campaign) leaves the consumer with an impression(s) and/or belief(s) different from what would normally be expected if the consumer had reasonable knowledge, and that impression(s) and/or belief(s) is factually untrue or potentially misleading, then deception is said to exist" (p. 42). He then distinguishes between three types of deception in advertising: the unconscionable lie, claim-fact discrepancy, and claim-belief interaction; the latter two types require measurement of consumer attitudes. Next, two techniques are offered for determining the existence of deception: the normative belief technique and the consumer impression technique. Criteria for the evaluation of techniques and the importance of empirical research are briefly discussed.

Gardner, D. M.
1976 Deception in Advertising: A Receiver Oriented Approach to Understanding. Journal of Advertising, 5, 5-12.

Gardner argues that rather than focusing on the act of deception and the intentions of the deceiver, researchers should concern themselves with the behavioral impact of an ad on the consumer. By focusing on the consumer, it is possible to judge deception on the basis of the total impression created and the implications that are made rather than on the truth of individual ad claims. This different emphasis also requires an understanding of human perception; Gardner reviews some basic facts of perception and then proposes a definition of deception (a revision of Gardner's (1975) definition): "If an advertisement (or advertising campaign leaves the average consumer within some reasonable market segment with an impression(s) and/or belief(s) different from what would normally be expected if the average consumer within that market segment had reasonable knowledge and that impression(s) and/or belief(s) is factually untrue or potentially misleading, then deception is said to exist" (p. 7). Gardner then suggests that deception can occur in two ways: (1) an association is made between an existing belief and an attitude toward a brand; (2) by affecting the evaluation of a belief associated with a brand. As well, attributes for which an untrue or deceptive claim may be made can be divided into two types: (1) functional--objective properties and attributes of the brand. Here, deception would occur if a consumer believes a brand has an attribute which the brand in fact does not. (2) nonfunctional--subjective evaluations such as "better" (typically, this is referred to as puffery). Deception in this case would occur if a consumer takes a nonfunctional attribute to be a functional one. Finally, 3 techniques for measuring deception are reviewed. The author notes that the approach which he advocates is based on the view that advertising seeks not to increase sales directly, but to induce a predisposition to prefer one brand over another when the product is seen in a store by a consumer.

Glassman, M., and Pieper, W. J.
1980 Processing Advertising Information: Deception, Salience, and Inferential Belief Formation.
Journal of Advertising, 9(1), 3-10.

Objectives: To examine deceptive advertising using the Fishbeinian concept of salient belief. Specifically, the authors dealt with: (1) the salience of health, safety, nutritional, and environmental advertising claims; (2) effectiveness of ads judged deceptive by the FTC and of ads modified according to FTC guidelines, (3) extent to which inferential beliefs (interconnections among existing beliefs) are formed about products following exposure to ads about those products.

Method: A two-phase study was conducted. In Phase 1, 30 undergraduate students from the University of South Carolina were presented with four advertisements and claims they made: (1) Firestone tires (made a claim about safety); (2) Listerine mouthwash (health); (3) Sunbeam bread (nutrition); and (4) Exxon gasoline (environmental protection). Subjects were asked to name (1) advantages and disadvantages associated with buying each product and (2) what they looked for when buying the product, in order to determine what was salient to the decision to purchase the products. In Phase 2, 64 subjects were exposed to four types of ad: deceptive (as described in FTC proceedings); acceptable (as described in FTC recommendations); puffed (ad referred to product as "the best" and contained no other information); and non-salient (ad referred only to a non-salient attribute as judged by the authors). Subjects then recorded whether buying would produce particular outcomes, their evaluation of those outcomes, and attitudes toward buying the products.

Variables: Independent: type of ad (deceptive, acceptable, puffed, or non salient).
Dependent: beliefs and attitudes towards products and outcomes.

Findings/Implications: None of the four attributes of concern to the FTC (safety, health, nutrition, and environmental protection) was considered by the subjects to be salient to purchasing decisions. Acceptable ads were found to be at least as effective (in creating favorable attitudes) as deceptive ads, perhaps because deceptive ads reduced credibility through exaggeration while acceptable ads increased credibility through the use of qualifiers. The results for inferential-belief formation were not systematically related to manipulation of the independent variable; instead, they seem best attributed to the differences in brands tested. Finally, acceptance of statements judged deceptive by the FTC was quite low, suggesting that subjects may have been critical and skeptical of the claims made in the deceptive ads.

Greene, E., Flynn, M. S., and Loftus, E. F.
1982 Inducing Resistance to Misleading Information.
Journal of Verbal Learning and Verbal Behavior, 21(2), 207-219.

Objectives: The objective of this four-experiment study was to explore directly the effectiveness of a warning in conferring resistance to postevent inaccurate information.

Method: Experiment 1: Subjects (72) at the University of Washington were shown slides of a wallet being taken. Subsequently, they were presented a paragraph about the incident that described four experimental items (all peripheral to the event). These items were either described inaccurately or accurately. Subjects were timed during reading and then presented a multiple-choice test that tested their accuracy and whether they were misled by the inaccurate information. Some subjects were warned either before the crime event, before the postevent paragraph, or before taking the test that some information in the paragraph might be inaccurate. Other subjects received no warning.
Experiment 2: Sixty subjects were presented with either misleading or neutral information. Those who received misleading information were either warned or not warned.
Experiment 3: Subjects (54) were presented either accurate, misleading, or neutral information. They were warned either five or one minute prior to the postevent paragraph.
Experiment 4: Some subjects received the warning and then all subjects were exposed only to accurate information.

Variables: Experiment 1: Independent: accurate versus inaccurate information; temporal placement of warning.
Dependent: accuracy scores on multiple-choice test; reading times.
Experiment 2: Independent: warning versus no warning; misleading versus neutral information.
Dependent: accuracy test scores.
Experiment 3: Independent: accurate versus misleading versus neutral information; temporal placement of warning (5 versus 1 minute prior to paragraph).
Dependent: recognition accuracy; reading times.
Experiment 4: Independent: warning versus no warning.
Dependent: accuracy scores.

Findings/Implications: Experiment 1: The authors found that subjects who received accurate information performed better on the accuracy test and read more slowly than did the other subjects. Temporal placement of warning did not affect accuracy scores, however, reading times were longer for subjects who received the warning prior to the event than for other subjects.
Experiment 2: Subjects who received the neutral information performed best on the accuracy test, followed by subjects who received a warning prior to being presented the misleading information. Those who received misleading information and no warning performed most poorly.
Experiment 3: In the misleading and neutral conditions only, subjects who received the warning five minutes prior to the postevent information read more slowly than those who received the warning after one minute. Those who received accurate information performed best on the accuracy

test, followed by subjects in the neutral and the misleading conditions. Time of warning had no effect on accuracy.
Experiment 4: There was no difference between subjects who were warned and those who were not. The authors conclude that generally, a warning helps prevent subjects from being misled by inaccurate information. A number of mechanisms by which this effect may occur are reviewed; increased scrutiny of the postevent information is considered the most plausible.

Harris, R. J.
1977 Comprehension of Pragmatic Implications in Advertising. Journal of Applied Psychology, 62, 603-608.

Objectives: To examine the comprehension and memory of asserted and implied claims in advertising.

Method: An experiment was conducted using 180 undergraduate psychology students at Kansas State University. Each subject listened to or read twenty fictitious ads, and each ad was followed by two statements concerning the ad. Subjects rated the statements as either true or false.

Variables: Independent: time between being presented the ads and responding to the statements (immediate versus delayed); instructions warning subjects not to interpret implied claims as explicitly asserted versus no instructions; type of claim made in the ad (assertion versus implication). Dependent: Truth value responses to the statements.

Findings/Implications: The proportions of "true" responses to the statements in the assertion and implication conditions were not significantly different, suggesting that subjects tended to treat the implied claims as directly stated assertions. Subjects in the delayed and no-instructions conditions were least capable of discriminating implications and assertions. The delayed-no-instructions condition most closely approximates the position of the consumer, and so the results may indicate that consumers tend to process implied claims in ads as literal fact. Consumer education might be geared toward teaching consumers to distinguish between implications and assertions so they are not misled by implied falsehoods. As well, advertisers and advertising-regulating bodies should consider that implied claims, although not blatantly false, are potentially misleading to the consumer.

Harris, R. J., Dubitsky, T. M., Perch, K. L., Ellerman, C. S., and Larson, M. W. 1980 Remembering implied advertising claims as facts: Extensions to the "Real World".
Bulletin of the Psychonomic Society, 16(4), 317-320.

Objectives: To replicate the finding that people remember implied claims as asserted fact. In contrast with previous research, this study used real-name brands and more naturalistic settings.

Method: The subjects were undergraduate psychology students at Kansas State University.
Experiment 1: Twenty highly familiar product ads were played on a tape recorder to 49 subjects. The critical claim made about a product was either stated directly or implied. Subjects were first asked to rate the products from 1 to 5 on the degree to which they trusted the product, based on previous experience. Then the subjects listened to the commercials. Following the ad presentations, subjects rated test statements about the claims (and control filler statements) as either false, probably false, indeterminate, probably true, or true.
Experiment 2: Sixteen fictitious ads were embedded in a radio program, "Face the Nation". The 24 subjects were asked to listen to the program, and no special attention was drawn to the ads. After the program, subjects rated 48 test sentences as either true, false, or indeterminate.
Experiment 3: Fifty-two subjects watched the CBS evening news and the commercials that occurred naturally during the program. Following the news program, subjects rated 55 statements as true, probably true, indeterminate, probably false, or false.
Experiment 4: Twenty-one subjects watched "Happy Days" and the commercials that occurred naturally during the program. Afterwards, subjects rated 40 statements as true, false, or indeterminate.

Variables: (In all experiments) Independent: implied versus directly stated claim. Dependent: truth value ratings of test statements. Experiment 1 also included the independent variable of trustworthiness of the product, and the dependent variable of trustworthiness ratings.

Findings/Implications: Experiment 1: no significant difference between implied and directly-stated claims. Correlations between truth-value and trustworthiness ratings were significant ($r=.34$ to $.45$), indicating that products subjects trusted tended to be rated as making true claims. Experiments 2, 3, and 4: No significant difference between implied and directly-stated claims. These data suggest that findings from artificial laboratory settings can be replicated in a more ecologically valid or naturalistic environment, thus providing evidence for the external validity of experimental studies demonstrating that implied and directly-stated claims tend not to be distinguished. Note, however, that all results are in the form of failing to reject the statistical null hypothesis (finding no differences between conditions).

Harris, R. J., Dubitsky, T. M., Connizzo, J., Letcher, L. E., and Ellerman, C. S. 1981 Training Consumers About Misleading Advertising: Transfer of Training and Effects of Specialized Knowledge.
In J. H. Leigh and C. R. Martin Jr., (eds.), Current Issues and Research in Advertising. Ann Arbor, Michigan: The University of Michigan.

Objectives: To determine the conditions under which asserted and implied claims are discriminated, particularly the effect of familiarity with the advertised product.

Method: Two experiments were conducted using as subjects Introductory Psychology students from a large midwestern university. After the experiments, all students were classified as either farmers or nonfarmers (the majority of students were nonfarmers). Twenty-four ads were created, twelve for farm products, and twelve for other products commonly purchased. The critical claims made in the ads appeared either in asserted or implied form. The subjects were tested over four sessions. In the first session, experimental subjects received training in discriminating assertions and implications. At the end of this session and for each subsequent session, subjects first listened to a tape of all the ads and then rated the truth of sentences about the ads on a scale of 1-5. The experiment also tested for transfer of training: new ads were presented to the subjects with no additional discrimination training. The second experiment was essentially a replication of the above experiment, except that subjects could follow the text of the ads while they responded to the test items. This change was made simply to lessen the effects of memory load.

Variables: Independent: training versus control; farmer versus nonfarmer; farm ad versus nonfarm ad; assertion versus implication; session (1, 2, 3, or 4).
Dependent: Truth value ratings on a scale of 1-5.

Findings/Implications: The following results are of interest (note that lower truth values indicate that the subjects made the discrimination between assertions and implications): (1) Lower truth value responses were obtained from the group that received discrimination training. (2) Truth values tended to increase over sessions. (3) Transfer of training was observed. (4) Subject type and ad type had little effect, although in the second experiment, farmers tended to treat implied claims for farm products as asserted facts. (5) Truth values were higher for assertions than for implications.

Hunt, M. K.
1973 Effects of Corrective Advertising.
Journal of Advertising Research, 13, 15-22.

Background Information: The study focused in part on the consequences of "inoculation" against an impending attack. If the FTC plans a corrective ad campaign, the guilty company may run a series of ads challenging the content of the corrective ads; this challenge is referred to as "inoculation." In experimental social psychology, inoculation has been studied; one general principle is that a direct and explicit point-by-point refutation of a forthcoming attack message is the most effective method of inoculation (particularly when compared to supportive statements). The author attempts to extend this work to the problems and issues in advertising.

Objectives: To determine (1) the effect of different forms of corrective advertising, (2) the effect of different forms of inoculation advertising, and (3) if any interaction exists between form of inoculation and form of attack.

Method: The original deceptive ad and the inoculation ads were actual ads being run by Chevron (Standard Oil Company of California). The FTC ruled that the original ad was deceptive and recommended a corrective ad campaign. The inoculation ads appeared in one of three conditions: (1) an explicit refutation was made of the FTC accusations; (2) supportive statements of the company and product were made (repetition of the original company claims); (3) control (no inoculation statements). The corrective ad also appeared in three conditions: (1) explicit attack on the claims made by Chevron; (2) general attack on the company and ad credibility; and (3) control (no corrective statements). Subjects were university students. No description of the procedure is provided.

Variables: Independent: corrective ad form (explicit, general, none); inoculation ad form (refutational, supportive, none).
Dependent: Subjects' favorableness of attitude toward the brand.

Findings/Implications: The corrective ads produced a decrease in favorableness attitudes, with explicit ads being more effective than general ads or no ad (no significant difference between general and no ad was observed). For the no- and general-corrective ads, both the refutational and supportive inoculations decreased favorableness of attitude or had no effect. For the explicit corrective ad, both refutational and supportive ads inhibited the corrective ad effects, but the refutational ad was more effective. If the inoculation ad was presented without being followed by a corrective ad, the refutational ad decreased favorableness of attitude, and the supportive ad had little effect.

Hunt, H. K.
1973 Source Effects, Message Effects, and General Effects in Counteradvertising. Proceedings of the Third Annual Conference of the Association for Consumer Research.

Objectives: To examine the general effect of counter advertising on attitudes toward the brand, and the specific effects of counterad source and message format.

Method: Subjects were 270 business students from the University of Iowa. A magazine ad for Chevron gasoline was first presented to the subjects, followed by a counterad. The Chevron ad was considered deceptive by the FTC, and the counterad pointed out the ad's deceptiveness. The counterad came from one of four sources: a consumer organization, a competitor, a government agency, or the original company (in the form of a corrective ad). The message format was either supported or unsupported: in the supported condition, the counterad stated that the original ad was deceptive and four research studies were provided to back up the accusation; in the unsupported condition, no research evidence was provided. Thus, the counterad could appear in one of eight conditions. Following exposure to the ad and counterad, subjects were administered a short questionnaire which measured the favorableness of their attitudes toward the brand.

Variables: Independent: Ad source (consumer organization, competitor, government agency, or original company); ad message format (supported versus unsupported).
Dependent: favorableness of attitude toward the brand.

Findings/Implications: Generally, exposure to the counterads produced a decrease in favorableness of attitude toward the brand (as measured by comparison of counterad-exposed subjects to a control group). Neither a source effect nor a message format effect was found, except for one of the eight conditions: in the competitor-unsupported condition, favorableness of attitude was not affected negatively; the competitor-supported condition was comparable to the others. This result may be attributable to subjects' suspicion of the competitors's motives.

Hunt, H. K.
1974 Measuring the Impact and Effectiveness of Counter-Messages. In S. F. Divita (Ed.), Advertising and the Public Interest, American Marketing Association, 1974.

Objectives: To examine the effects of corrective and counter advertising messages.

Method: A series of experiments were conducted using print magazine ads for Chevron gasoline as the stimulus materials. Subjects were either business students at the University of Iowa or residents of an Iowa town. The general procedure was first to present a deceptive ad for Chevron gasoline; next either the corrective or counterad was presented; finally, a short questionnaire was administered. The questionnaire provided the dependent measure of favorableness of attitudes toward the ad. The corrective ad appeared in one of three versions: (1) a specific, claim-by-claim statement was made about the deception; (2) a general statement was made about deceptiveness in previous ads; and (3) a bland (control) statement was made, which said nothing about the deception. The counterad also appeared in three versions: (1) control; (2) deceptiveness was alleged but no proof was provided; (3) deceptiveness was alleged and research was provided to support the accusation.

Variables: Independent: Counterad or corrective ad versus control; specificity of deceptiveness accusation.
Dependent: Favorableness of attitude toward Chevron gasoline.

Findings/Implications: The author found that both corrective and counterads produced less favorable attitudes toward the brand than did the control ads. As well, the more specific the attack, the less favorable the attitude. Finally, the results obtained in both the student and resident subject samples. The author emphasized that empirical research into the effects of counter- and corrective-advertising can be conducted and is potentially of interest to both advertisers and industry regulators.

Hunt, H. K.
1977 Decision Points in FTC Deceptive Advertising Matters.
Journal of Advertising, 6, 28-31.

The author outlines the steps taken by the FTC when dealing with a case of false or deceptive advertising. First, it must be decided whether an ad is false or deceptive. In the past, the FTC would examine the stimulus (i.e., the ad) for any falsehoods or misleading claims. Currently, the emphasis is more on the recipient of the stimulus, and accordingly, communication specialists and public opinion researchers are consulted (rather than attorneys). This first step is the most critical. Second, the FTC must decide whether the ad should be stopped. If so, an injunction is obtained. Ads that could potentially endanger health and safety are acted on most quickly. Third, the FTC asks whether erroneous beliefs still exist in the minds of consumers as a result of exposure to the ad. In some cases, enough time passes to eliminate any lingering beliefs. However, if it appears that erroneous beliefs do still exist, then corrective advertising may be considered; at this point, it becomes necessary to decide on the form and content of the corrective ad. Fourth, the FTC estimates the likelihood that the company will again engage in the deceptive practice. If it seems likely, a cease and desist order is obtained. Finally, it must be determined whether the practice is common in the industry. If the practice appears to be common, one of three actions may be taken: advertising substantiation may be demanded from companies making the contentious claims; a trade regulation rule may be established; or a cease and desist order binding on all firms in the industry may be obtained.

Jacoby, J., Hoyer, W. D., and Sheluga, D. A.
1980 Viewer Miscomprehension of Televised Communications: A Brief Report of Findings.
Advances in Consumer Research, 8, 419-413.

Objectives: To determine: (1) if viewers do miscomprehend televised communications; (2) if so, what the range of miscomprehension is; (3) if rates of commercial ad miscomprehension differ from rates for other forms of communications; and (4) if demographic characteristics are of interest.

Method: Sixty different recent communications were used in this study. Of the 60, 25 were commercial ads, 13 were non-commercial ads, and 22 were program excerpts. The sample included 2700 people, equal numbers of men and women, with 386 individuals in each of 7 age brackets ranging from 16 years to 65+. The sample was representative of the US population, based on the US census data. Each participant viewed two communications, and following each communication presentation, they received a miscomprehension quiz. This quiz contained an equal number of items testing inferences and factual statements, and the subjects responded true or false to the items. The experimenters requested individuals' participation in shopping malls.

Variables: Independent: Commercial ad versus non-commercial ad versus program excerpt.
Dependent: Rates of miscomprehension.

Findings/Implications: Among the many results obtained, the following are noteworthy:

(1) only 17% of viewers fully comprehended either the first or second communication;
(2) 3.5% comprehended both;
(3) average rate of miscomprehension (for all the statements) was 28%;
(4) range of miscomprehension was 23-36%;
(5) commercial ads were less misunderstood than non-commercial ads or program excerpts;
(6) younger and older individuals tended to miscomprehend, and the more educated tended to understand better.

With such high rates of miscomprehension associated with general communication understanding, an ad may not necessarily be deceptive because consumers misunderstand it. It may be unreasonable to demand zero rates of miscomprehension or to judge deception against a zero baseline given these data.

Jacoby, J., Nelson, M. C., and Hoyer, W. D.
1982 Corrective Advertising and Affirmative Disclosure Statements: Their Potential for Confusing and Misleading the Consumer. Journal of Marketing, 46, 61-72.

Objective: To determine if corrective advertising statements are as misleading and confusing as the ads they are designed to correct. The remedial message studied was phrased in the actual language proposed by the FTC in a case under judicial consideration (Bristol-Myers). Specifically, the authors asked whether (1) a greater number of concepts in a statement resulted in higher rates of miscomprehension, and (2) statements containing negatives would be associated with higher rates of miscomprehension.

Method: Questionnaires concerning the remedial statements were administered to three different samples: (1) 92 undergraduates at Purdue University; (2) 281 members of social organizations in Lafayette, Indiana; and (3) 78 black suburban Chicago adults. (Total number of respondents = 481).

Variables: Independent: Number of concepts contained in the statements (1 versus 2); whether sentences contained the word "not."
Dependent: The meaning respondents chose as correctly representing the meaning of the remedial statements. The alternatives were presented on the questionnaire.

Findings/Implications: Correct comprehension rates ranged from 5-43%. Statements containing two concepts were less well-understood than those containing only one concept, but the results were somewhat equivocal. Statements containing a negation component were more often misunderstood then the affirmatively worded statements. The results were consistent across all three samples. Corrective ads should be empirically assessed for their potential to mislead or confuse the consumer in order to insure that they serve the intended purpose. In addition, people do tend to misunderstand verbal messages to a considerable extent; therefore, it may be unreasonable to demand that ads produce zero rates of miscomprehension.

Kuehl, P. G., and Dyer, R. F.
1978 An Experimental Examination of Deception in Labeling: Consumer Research and Public Policymaking.
In H. K. Hunt (Ed.), Advances in Consumer Research, 5.

Objectives: To determine if product labels approved by the United States Department of Agriculture (USDA) deceived consumers, i.e. produced false beliefs about the product.

Method: The authors asked whether the turkey-ham label used on some turkey products was deceptive. Specifically, would consumers think they were getting a mixture of meat and poultry when the mixture contained only poultry? (The USDA decided that the turkey-ham product label was not deceptive because "ham," according to the dictionary, refers to a specific cut of meat from any animal). An interview technique was used. Four interview sites were selected: New York, Chicago, Kansas City and Los Angeles. One hundred subjects were recruited from each city (total=400). First, subjects were tested for their "general food knowledge." Then, half the subjects saw a product label that specified ham only and the other half saw a turkey-ham product label.

Variables: Independent: ham versus turkey-ham product label.
Dependent: beliefs about the product.

Findings/Implications: Subjects in the Turkey-Ham group tended to think that (1) products contained two kinds of meat, (2) product contained both turkey and ham, and (3) product did not contain only turkey, relative to the Ham-only group. As well, most respondents thought that "ham" referred to a specific cut of pork, not to a certain cut around the thigh area from any animal. In the light of these findings that the Turkey-Ham product label is deceptive, the USDA should reconsider its approval.

Labarbera, P. A.
1981 The Shame of Magazine Advertising.
Journal of Advertising, 10(1), 31-37.

Objectives: Given that a magazine is legally responsible for accepting ads that are deceptive, has the right to screen and reject ads, and can join other magazines in setting advertising acceptability standards, the author sought to determine (1) the level of concern displayed by magazine publishers over blatantly deceptive ads (ads for weight reducers, bust developers, and hair restorers) and (2) what the opinions are of prominent officials representing public and private advertising regulatory bodies.

Method: A two-phase study was conducted. In the first phase, the author sent letters to editors of several magazines in which the ads in question had appeared. The letters were designed to indicate the concerns of the author as a reader rather than to suggest that an academic survey was being conducted. Letters were received by the author from about half of those editors contacted. In Phase 2, personal interviews with advertising regulation personnel were conducted.

Variables: editors' concern over deceptive practices; opinions of regulation personnel.

Findings/Implications: In Phase 1, it was generally found that editors and publishers were concerned about the ads, but they either discounted the persuasiveness and credibility of the ads or pointed out that they are a small but significant source of revenue. One magazine ceased accepting ads for weight-reducing products as a direct consequence of the author's concern. In Phase 2, the regulators almost unanimously agreed that the ads in question are outrageously deceptive and serve to reduce the credibility of advertising in general. Some individuals remarked that a firm can benefit from such advertising tactics only if it is a sort of "hit and run" business, that is, if it is not concerned about repeat sales from satisfied customers. The FTC officials said that the firms are extremely hard to monitor and regulate because they incorporate and liquidate very quickly. The author concludes that (1) magazines ought to be more selective in deciding which ads to accept and (2) regulatory bodies should monitor more carefully ads such as the ones studied.

Mazis, M. B., and Adkinson, J. E.
1976 An Experimental Evaluation of a Proposed Corrective Advertising Remedy. Journal of Marketing Research, 13, 178-183.

Objectives: To extend the generalizability of previous studies on corrective advertising by (1) employing a naturalistic context and (2) using a corrective ad for a particular mouthwash.

Method: An experiment was conducted using 83 undergraduate business students at the University of Florida. Subjects listened to tapes of actual TV interview shows and the ads that occurred naturally. The experimental ad for the mouthwash appeared in one of four conditions: (1) noncorrective with germ-killing claim; (2) corrective with germ-killing claim, FTC-source; (3) corrective with germ-killing claim, company-source; and (4) noncorrective with no germ-killing claim. The corrective ads disputed the claim that the mouthwash could relieve sore throats or prevent colds. Subjects later answered questions concerning their beliefs about and attitudes toward the mouthwash.

Variables: Independent: Correct versus non-corrective ad; FTC versus company source; germ-killing versus no germ-killing claim.
Dependent: Attitudes and beliefs toward the mouthwash.

Findings/Implications: Noncorrective ads produced a greater belief in the ability of the mouthwash to prevent colds and relieve sore throats. The company-source corrective ads tended to produce stronger beliefs in the inability of the mouthwash to kill germs. The authors speculated that the latter result may be due to the subjects' perceiving in the FTC-source situation that the company had been forced by an external agent to make statements that were perhaps untrue.

Marquez, F. T.
1977 Advertising content: persuasion, information, or intimidation. Journalism Quarterly, 54, 482-491.

Objectives: To determine, through the use of content analysis, whether 600 ads were primarily persuasive, informative, or intimidating.

Method: Ads were selected from Atlantic Monthly, Harper's, Psychology Today, Milwaukee Journal, Reader's Digest, and TV Guide, 100 from each publication. Publication dates varied from 1973-1976. The contents of each ad were analyzed for whether they used (1) basic persuasion; (2) basic information; (3) high persuasion and low information (which includes the grey area between (1) and (2); (4) high information, low persuasion, and (5) mainly intimidation. The classifications were made according to ordinary dictionary definitions of the three key terms. Note that no measure was taken of truthfulness or deception.

Variables: Whether ads persuaded, informed, or intimidated.

Findings/Implications: Basic persuasion was used by 43.3% of the ads, 22.4% used high persuasion, low information. Basic information was used by 22.8% of the ads; 10.2% used high information, low persuasion. The total, then, is 65.7& for persuasion and 33.0% for information. Only 1.2% of the ads used intimidation. The products that tended to be advertised by persuasion were wine and liquor, tobacco, cosmetics, food, and recreation and travel. Those that relied on information were institutions, books and book clubs, vehicles and vehicle parts, recreation and travel, and catalogs and periodicals. The trend was for the amount of information conveyed to increase as the "technicality" of the product increased. Also, ads for information (periodicals, books, etc.) tended to be more informative. Marquez recommends that the issue of persuasion/information be considered in the context of the product being promoted. Finally, based on the results of this study, the use of intimidation does not appear to be a significant problem.

Mazis, M. B.
1980 The Future of Consumer Protection Regulation.
Advances in Consumer Research, 8, 455-457.

This report speculated about some of the regulatory trends currently observable within the FTC and the direction of future developments. The following tendencies are listed and briefly discussed: A general move away from advertising regulation (for example, the proposed ban on all children's advertising will probably not be imposed); an increase in industry deregulation; emphasis on cost and "pocketbook" issues; increase in health and safety regulation; and a concern with the issue of product liability. With respect to the question of how to regulate, (1) there will be a decrease in public bans of products, (2) an increase in consumer informational approaches (and a concern with how much information consumers can or are willing to assimilate), (3) a shift away from broad rule-making toward a case-by-case approach, and (4) a "tougher" approach to enforcing already existing regulations. The author noted that regulatory agencies are becoming more sensitive to political pressures. Finally, both government and regulators are becoming more sympathetic to business interests vis-a-vis the consumer as a result of the increase in business influence in Congress.

Mittelstaedt, R. A., and Aaby, N.
1976 Research Methodology and Advertising Substantiation.
In B. B. Anderson (ed.), Advances in Consumer Research, 3.

This paper discusses the logical and methodological issues associated with the use of consumer research as evidence to substantiate claims made in advertising. The authors review some basic statistical procedures, such as formulating a statistical hypothesis (X is better than Y), the null hypothesis (X is not better than Y), and the errors that can occur in statistical testing (Type I error refers to wrongly rejecting the null hypothesis; Type II error refers to wrongly retaining the null hypothesis). Both Type I and Type II errors are associated with certain probabilities. The utility and disutility of making either error can be associated with certain probabilities. The probabilities and utility/disutility measures can then be used together in assessing consumer research when an advertising claim comes under scrutiny by the advertising regulatory agencies.

Monaco, G. E., and Kaiser, D.
1982 Effects of Prior Preference, Inferences, and Believability in Consumer Advertising.
In R. J. Harris (Ed.), Information Processing Research in Advertising. Hillsdale, N.J.: Erlbaum, in press.

The authors proposed that ads (new information) interact with already existing world knowledge to produce and affect beliefs, desires, and intentions. Since the preexisting knowledge will vary from person to person, the same ad will have different effects, depending on how it interacts with what a person knows and values. To test this proposal, the authors selected university students for an experiment and classified them according to whether they were Gerald Ford or Jimmy Carter supporters. (The experiment took place during the 1976 presidential campaign). The subjects were then shown ads for the two candidates; the dependent variable measured was whether subjects drew pragmatic inferences about the ads. The results showed a prior preference by type of ad (whether for Carter or Ford) interaction, indicating that subjects tended to draw more inferences about the candidate for whom they initially had a preference. The ads differed in their effects depending on whom the subjects supported prior to ad presentation.

The authors then discussed two aspects of the ecological validity of experiments on advertising. (1) They noted that the results of ads for fictitious products can only be generalized to actual situations in which a consumer is being exposed to a new product. The effects of repetition, brand loyalty, and preexisting beliefs are important enough in the case of familiar ads for familiar products that it is difficult to justify generalizing from experiments using fictitious ads and products to the real-life consumer. (2) It is obvious that few people turn on their televisions in order to see commercials; in fact, typically, an ad serves as a discriminative stimulus to direct attention elsewhere (e.g., engage in conversation, leave the room). In a laboratory experiment, the opposite is true; that is, presentation of ads to subjects is a signal to them to pay attention. In addition, "truth instructions" are often given to subjects. Because people are generally skeptical of the claims made in ads and because subjects do not want to appear naive, experimenters often give them instructions to "believe everything that is said in the ad." These instructions also detract from the ecological validity of the experiment. To test this notion, the authors conducted an experiment in which subjects either were or were not given truth instructions. They found that the truth instructions produced a response bias in the subjects; on the other hand, instructions to attend to the ad as they normally would resulted in subjects' being inattentive to the ad. In short, it appears that the procedure in both cases leads to undesirable results.

Morgan, F. W.
1979 The Admissibility of Consumer Surveys as Evidence in Courts. Journal of Marketing, 43, 33-40.

The issue of admissibility refers to whether the courts view consumer surveys as legitimate evidence to be used in deciding court cases. Between about 1910 and 1940, consumer surveys were treated as hearsay (out-of-court statements offered to prove the truth of some matter of concern to the court) and therefore deemed inadmissible. Eventually, however, emphasis shifted from the hearsay objection to methodological questions: lawyers and judges started to ask about the integrity of the survey, reflected in the way in which the sample was obtained, the data analyzed, and so on. By the 1960's and into the present, surveys were considered admissible. The court focused on methodology in order to decide on the weight that should be given to a given survey. With the emphasis now on methodological questions, Morgan offers a number of recommendations to marketers and researchers considering the use of surveys, including the following: establish the relevance and superiority of the survey; eliminate methodological flaws; and be prepared for an adversary evaluation. Morgan also speculates on the questions that may be of importance in the future, such as: will admissibility be governed by the doctrine of expert opinion; will the hearsay tradition be abandoned; will courts begin to require surveys, and will the courts order and conduct them; and will methodological rules for preparation of surveys be laid out. Note that the review is limited to survey research; experimental research is not considered by Morgan.

Oliver, R. L.
1979 An Interpretation of the Attitudinal and Behavioral Effects of Puffery. Journal of Consumer Affairs, 13(1), 8-27.

The thesis of this report is that puffery is a form of implied deception. The author's purpose is to review the theoretical behavioral science literature and the empirical studies which have examined consumer responses to implied deception. First, he recommends that rather than the courts and the FTC using the "reasonable man" approach (i.e., no "reasonable man" would believe puffery claims), they should consider adopting some behavioral criterion for deception (e.g. more than n% deceived). Puffery is believed to influence purchase decisions by increasing the certainty of performance outcomes and the consumers' evaluations of those outcomes. Oliver reviews some of the literature supporting these assertions.

Oliver then takes issue with the notion that consumers disconfirm puffed claims, and then cease buying the advertised product (to the disadvantage of the company selling the product). There are some situations in which disconfirmation is impossible or impractical, such as: (1) when the claim is made that a buyer will be more attractive, have "more class", and so on, since these sorts of claims are not easily objectively falsified; (2) when an extremely technical claim is made, for example, "our stereo products "flutter and wow" at less than .1% rms"; most consumers do not have the equipment to verify this sort of claim; (3) when a comparative claim is made, such as "our car is most comfortable", since it is obvious that consumers cannot purchase three or four cars and then compare their performance. In addition, consumers are sometimes motivated to ignore disconfirming evidence, especially if a large financial or psychological investment has been made in the product. Oliver discusses studies which have shown that subjects tend to continue to rate products highly if they have high expectations, even when those expectations are not fulfilled by the product.

Oliver makes some suggestions for future research, including the investigation of (1) the effect of unfounded superlatives, and (2) who is most susceptible to and suffers most from puffery and implied deception.

Olson, J. C., and Dover, P. A.
1978 Cognitive effects of deceptive advertising.
Journal of Marketing Research, 15, 29-38.

Objectives: To show that deceptive advertising can be experimentally created and measured, and to explore the pre- and posttrial cognitive effects of exposure to deceptive ads for an unfamiliar brand.

Method: A four-stage procedure was used. During the first three stages, subjects were exposed to three ads delivered every four days. The ads concerned a brand of coffee unfamiliar to the participants, and each ad contained the same piece of deceptive information (that the coffee was not bitter). At the fourth stage, conducted four days after exposure to the third ad, subjects were asked to taste the coffee. Following each stage, subjects completed a questionnaire questioning them on their intentions to buy the product, and their beliefs and attitudes about the product. The coffee was purposely made to taste bitter. A control group that received no advertising exposure and only tasted and evaluated the coffee was included to provide the unbiased consumer judgements.

Variables: Independent: receipt of deceptive information.
Dependent: beliefs about coffee; evaluative aspect of each belief; attitude toward the coffee; behavioral intentions to purchase the coffee.

Findings/Implications: Exposure to the deceptive ads created a strong and false belief that the coffee was not bitter as well as an increased likelihood to purchase the coffee. These effects were found even following tasting of the coffee, but the effects were attenuated. This particular experimental methodology is recommended for use in further research in order to assess empirically the existence of deception and its cognitive effects.

Roshwalb, I.
1980 Recent Controversy in Washington: An FTC Case.
Advances in Consumer Research, 8, 276-280.

A recent FTC case involving Litton Industries ruled that the survey conducted on behalf of the company did not provide a reasonable basis for or prove the claims made in an advertisement because of the very high rates of non-response. The Litton Company did not attempt to assess whether there was a bias of non-response; that is, would data from the non-respondents have significantly altered the obtained results? The author argues that non-response is an important problem to be dealt with by the surveyor and the company on whose behalf the survey is conducted. Two points must be kept in mind, however, when deciding on acceptable levels of non-response: First, non-response can occur because the surveyor rejects respondents who are not representative of the target sample; second, the method of calculation must be taken into account, since, for example, calculation of the harmonic mean will produce lower response rates than calculation of the arithmetic mean. In short, non-response rates can be artificially inflated unless these factors are taken into account.

Admissibility was also at issue in this case. The Litton Company requested that an FTC Survey be ruled inadmissible because the respondents could not be connected with their questionnaires. The judge replied that such a requirement was unnecessary and violated the respondents' right to anonymity and confidentiality.

Finally, the independence of the survey was discussed. The ad was alleged to be deceptive because it implied that the survey had been conducted independently, when in fact it was designed by Litton and then turned over to an outside agency. The judge decided that no reasonable reader of the ad would be so naive as to think that the survey was not conducted with input from the company. As well, the surveys were turned over to an independent agency. Thus, "independence" was treated as a relative rather than an absolute judgement.

Preston, I. L., and Scharbach, S. E.
1971 Advertising: More Than Meets the Eye?
Journal of Advertising Research, 11, 19-24.

Objectives: To test subjects' tendencies to accept logically invalid statements contained in ads, newspaper stories, business memoranda, and personal letters. Authors predicted that more illogical reasoning would be observed with the ads than with the other message forms, supporting the view that advertising information is processed differently from other types of information.

Method: An experiment was conducted. Twelve ads which had elicited strong illogical reasoning tendencies in subjects were selected from Preston (1967). The content of the ads was rearranged to fit the news story, memo, and letter form. Additional content was added where necessary. The messages could appear in one of four forms: ad, news story, memo, or letter. Following message presentation, subjects judged five statements as accurate or inaccurate paraphrases of the original message. The subjects were 105 university students.

Variables: Independent: Message form (ad, news story, memo, or letter). Dependent: accuracy ratings of paraphrase statements.

Findings/Implications: The overall message effect was found to be significant. Ads produced higher accuracy ratings (therefore including paraphrases that were not accurate) than any of the other message forms. The ratings for ads averaged about 11% higher than the other forms. Postexperiment interviews were conducted with the subjects which revealed their own perceptions of how they processed the different message forms. Subjects suggested that ads are different from almost all other message forms in that a response from the ad recipient is expected by the communicator. Furthermore, the expected response is generally a favorable and positive one. As a result, subjects felt they processed the ads more leniently than the other message forms, resulting in illogical inferences, because those inferences seemed consistent with what the advertiser was most likely intending to communicate. The authors conclude that ads are processed uniquely and therefore require a unique processing model.

Preston, I. L.
1977 The FTC's Handling of Puffery and Other Claims Made "By Implication." Journal of Business Research, 5, 155-181.

A number of different types of implications used by advertisers were discussed, and examples of their use by various companies as well as FTC action were provided. (1) Expansive Implication: A literal statement is made which implies a wider domain of applicability than truthfully exists. (2) Demonstration Implication: Demonstration of one effect is taken to be proof for another, more impressive effect. (3) Inconspicuous Qualification Implication. A literal qualification of a broad or grandiose claim is made, but the qualification is inconspicuous. (4) Inconspicuous Context Implication. Context establishes or qualifies the truth of an ad claim, but the context is inconspicuous. (5) Uniqueness Implication. A claim is made that a product possesses certain features, but it is implied that that product only possesses the features (while its competitors do not). (6) Reasonable Basis Implication. A company cannot substantiate the performance claims it makes. (7) No Qualification Implication. A qualification of a claim is not presented but should be. This practice is of particular concern when the qualification would reveal to consumers the risk involved in using the product. (8) **Significance** Implication. A true fact is presented as if it matters, but it does not. (9) Social Concerns Implication. This practice exploits the concerns of consumers, such as the problem of pollution or the desire to be physically attractive and youthful. (10) Third Party Implication. It is implied that a third party can or does back a claim made in an ad, when the party cannot or does not. Preston notes that it is difficult to prosecute for use of these implications, and any attempt to extend regulation to this area has met and will continue to meet with resistance from industry. Puffery is also briefly discussed. Preston argues that this practice is deceptive because of what puffery claims imply. Finally, the importance of empirical research is emphasized, as well as the difficulty for researchers of remaining impartial when they find themselves caught between the competing interests of industry and the FTC.

Resnik, A., and Stern, B. L.
1977 An Analysis of the Informational Content in Television Advertising. Journal of Marketing, 41, 50-53.

Objectives: To determine the informational content of commercials, i.e., the extent to which commercials are informative or noninformative.

Method: Information was operationally defined using fourteen criteria that could assist consumers in making purchase decisions. The criteria were (1) price or value, (2) quality, (3) performance, (4) components or contents, (5) availability, (6) special offers, (7) taste, (8) packaging or shape, (9) guarantees or warranties, (10) safety, (11) nutrition, (12) independent research, (13) company-sponsored research, and (14) new ideas. Only one criterion had to be satisfied in order for an ad to qualify as informative. A total of 378 ads broadcast on ABC, CBS, and NBC were content analyzed and judged by the researchers according to the above criteria.

Variables: Information content of ads.

Findings/Implications: Less than one-half of all the ads were found to be informative. Noninformative ads tended to predominate during weekday afternoons and weekend mornings. Weekday morning ads and evening ads aired both on weekdays and weekends were informative about 60% of the time. Ads for food, personal care products, and laundry products were least informative; ads for institutions, toys, hobbies, and transportation were most informative but accounted for only about 24% of all the ads aired. Finally, if 2 criteria had been required, only 16% of the ads would have been considered informative; if 3 criteria would have been required, the figure drops to 1%.

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Rotenberg, R. H., Poirier, P. R., and Tremblay, J. A. C.
1978 A Decade After "The Permissible Lie": Have Things in the Ad Business Really Changed?
Journal of Consumer Affairs, 12, 170-175.

Objectives: To determine and evaluate advertising agency executives' (1)perceptions of their role in relation to the consumer, (2) loyalty to the agency's clients, the agency as employer, or the consumer, (3) beliefs about government- and self-regulation of the ad industry.

Method A similar number of creative and executive ad agency personnel were selected (total number sampled = 103). The study took place in Montreal; 44% of the participants were French-speaking and 56% were English-speaking. Participants worked for large agencies, and varied in experience from 1 to 10 years (80% had been with the company for 3 years or more). A self-administered questionnaire was sent out to the employees, followed by a personal interview.

Variables: Role perceptions; loyalty; opinions on industry regulation.

Findings/Implications: Generally, most participants felt that selling a product was more important than informing the consumer about a product. About 90% stated that employee turnover was extremely high in the ad industry, producing job insecurity in the employees. Consequently, they felt that loyalty to the agency (48.5%) and the client (46.5%) was much more important than loyalty to the consumer (5%). Participants did not believe that the ad industry should be regulated (70%) but they also did not believe that the industry would regulate itself (69%).

Rotfeld, H. J., and Rotzoll, R. B.
1980 Is Advertising Puffery Believed?
Journal of Advertising, 9, 16-20.

Background Information: Puffery (evaluation claims or opinions such as "the best") are not considered deceptive by the FTC. The FTC reasons that the claims are so obviously exaggerated and subjective that no one would believe tham as statements of facts. Since the claims are not believed, they cannot deceive.

Objectives: To determine if puffed claims are believed as true.

Method: The authors used videotaped current commercials for five products whose ads had been unanimously rated by experts (law students and professors of advertising and marketing familiar with deceptive advertising issues) as containing puffed claims. Subjects were 100 members of organized community groups. The subjects viewed the ads and then filled out a questionnaire asking them whether they perceived the puffed or puffery-implied claims and whether they believed the claims to be true.

Variables: Independent: Puffery claim versus puffery-implied claim.
Dependent: Whether claims believed.

Findings/Implications: Puffery claims were perceived and believed by 40% of respondents, compared to 11.4% for puffery-implied claims. Therefore, since it appears that puffed claims are believed to be true by almost half of the participants, the FTC's position on puffery should be reconsidered. The authors also note that their sample was more educated than the average consumer: over 70% had had some college education. Less educated consumers could be expected to be even more susceptible to advertising puffery.

Rotfeld, H. J., and Preston, I. L.
1981 The potential impact of research on advertising law.
Journal of Advertising Research, 21, 9-18.

The purpose of this review paper was to point out that empirical research reveals puffery to be deceptive. First, research on general advertising claims is summarized. It has typically been found that subjects expand the actual content of ads to include what they believe the advertiser would like to say or would like them to believe. The authors then discuss actual cases in which the implications contained in an ad were challenged by the FTC, for example, Hi-C (Coca-Cola) was criticized for conveying the impression that it is equivalent to orange juice. Research on the way in which ad claims affect beliefs is also discussed. Second, the authors summarized research dealing specifically with puffery. Results from this research indicate that (1) puffery implies false facts, (2) subjects tend to believe puffed statements, and (3) often factual, informative advertising is ineffective because the quantity and quality of the information is difficult to process. The conclusion drawn is that according to the findings of empirical research, puffery is deceptive. Therefore, the FTC should rely more heavily on research in making decisions and should monitor more closely the use of puffery in advertising.

Schutz, H. G., and Casey, M.
1981 Consumer Perceptions of Advertising as Misleading.
Journal of Consumer Affairs, 15, 340-357.

Objectives: To discover the extent to which consumers perceive advertising as deceptive in various media, for a variety of goods and services, and for ads directed at specific age groups. The study also examined consumers' complaint experiences.

Method: A mail survey method was employed. During the winter of 1977-78, 800 consumers living in California, 400 from Long Beach and 400 from Sacramento, were selected from a telephone directory and mailed a questionnaire. Of the 800, 314 sent back the questionnaires (167 from Sacramento and 147 from Long Beach). Questions in the survey asked the respondents to (1) rank the seriousness of various consumer problems (including deceptive advertising); (2) indicate degree of misleading advertising found in various media, for various goods and services, and for various target audiences; (3) indicate agencies or organizations to which they had complained and their degree of satisfaction with results.

Variables: Independent: Problems; media; institutions and organizations; goods and services; age.
Dependent: Responses to questionnaire.

Results: Misleading advertising was ranked above unsafe products and poor store service and below high prices, poor quality of products, and poor quality of repair services as a concern of consumers. Consumers believed that proportionally, mail and telephone media contained the most misleading advertising, and newspapers were considered most honest. The primary complaining agency was the seller or advertiser. The Better Business Bureau was the most frequently used third party organization, and consumer protection bureaus were the least used. Consumers were most satisfied with the action taken in response to their complaints when they contacted third parties such as consumer protection bureaus and the attorney-general. Consumers were least satisfied with the seller, advertiser, Better Business Bureau, or the media. With respect to goods, cigarette ads were considered most misleading, hardware and appliances least misleading. With respect to services, car repair, money-earning schemes, and weight/smoking control ads were considered misleading. Finally, ads directed at children were considered seriously misleading, compared to ads directed at adults and seniors.

Shimp, T.A.
1978 Do Incomplete Comparisons Mislead?
Journal of Advertising Research, 18, 21-27.

Objectives: To determine whether advertisements in which a comparison is made but in which the comparative referent or attribute (i.e., what the advertised brand is being compared to) is omitted are potentially misleading. They might be misleading because they permit interpretations, some of which may be false.

Method: A total of 559 3rd and 4th year college students participated in a four-phase study. Three commercial ads which employed the incomplete comparison device were used: "Cougar is built better to give you more"; "Our name should be Stay Dryer because that's what we really help you do--stay dryer"; "Mennen E goes on warmer and dryer." In the first phase, 60 students were asked to complete the ads by writing down what they believed the ads were using as the objective of comparison. In this way, the potential interpretations were empirically generated. In the second phase, 192 students were divided into three equal groups and presented with one of the three possible interpretations (one for each group). The students use a Likert scale to indicate the extent of their agreement with the entire statement. In the third phase, 166 students were given all three of the possible interpretations and asked to assign points to each representing the degree of their confidence that the interpretation was correct. Finally, in the fourth phase, 141 students were asked again to choose an interpretation and decide whether it (1) was directly stated; (2) not directly stated but the interpretation was intended by the avertiser; (3) not directly stated and no interpretation intended.

Variables: Independent: advertisement; interpretation.
Dependent: questionnaire responses.

Findings/Implications: The majority of participants believed that the advertisement statements had actually mentioned the comparative referent. For example, participants thought that the Cougar ad actually claimed that the Cougar is built better to give more luxury and sportiness, and that the Stay Dry ad claimed that Stay Dry will keep its users dryer than will any other antiperspirant. For the Mennen E ad, most believed that a referent was specified in the ad, but there was no tendency for any one interpretation to predominate. Shimp concludes that incomplete comparison ads are misleading because they permit many interpretations, which interpretations go beyond the manifest content of the ad. He suggests that readers may infer the implicit comparative when they read the ad.

Shimp, T. A.
1979 Social Psychological (Mis)Representations in Television Advertising. Journal of Consumer Affairs, 13, 28-40.

Shimp provides an analysis of the way in which social psychological representations deceived the consumer and an empirical investigation of the frequency of use of social psychological representations in current advertising. Social psychological representations (SPR's) are claims in advertising which attribute qualities or properties to a product when those qualities and properties actually exist in the consumers' mind or in the social environment (e.g., a claim that a brand of toothpaste is "sexy"). SPR's are deceptive because the advertiser cannot provide the quality or property promised; they are not part of the product. Furthermore, the consumer must invoke his or her own beliefs and expectations to derive meaning from a vague or subjective ad claim. These beliefs and expectations will vary from person to person. The various resultant beliefs and expectations about the product may be incorrect. If so, the ad has deceived the consumer.

Shimp performed a content analysis on 243 commercials on file at the FTC and from these commercials he extracted 1450 assertions. He found that over half the assertions were SPR's. Most frequent users of SPR's included airlines, 79%; deodorant, 75%; shampoo, 75%; beer, 71%; and soft drinks, 70%. The least frequent user was automobile tires at 38%, followed by automobiles at 52%. Note that SPR's were used most often in ads for products with few conspicuous physical features. In comparison, an ad for a tire would presumably focus on the obvious physical features that a consumer would be concerned with when making a purchase decision. Shimp also speculates on the reasons for the prevalence of SPR's and makes two suggestions: (1) For many products, there is little to distinguish one brand from another and so the advertiser must rely on vague and subjective SPR's. (2) It is harder for the FTC to challenge a claim based on an SPR (compared to a claim about some objective physical feature of a product). In light of the deceptive nature of SPR's and their widespread use in advertising, Shimp recommends that researchers and the FTC devote their resources to the investigation of SPR's.

Shimp, T. A., and Preston, I. L.
1981 Deceptive and Nondeceptive Consequences of Evaluative Advertising. Journal of Marketing, 45, 22-32.

The authors begin by drawing a distinction between factual and evaluative advertising. The classification can be made either on the basis of consumers' subjective perceptions or on the basis of the objective properties a product does or does not possess. The latter method is preferred because it is unambiguous; either an attribute is a part of objective reality or it is not. It is also noted that the use of evaluative advertising has increased substantially in recent years, and two explanations are offered: (1) Factual claims may not distinguish one product from another, since many products of the same type tend to be objectively indistinguishable; (2) Factual claims can be more easily monitored by regulatory agencies, because their truth can be more easily verified. Next, six conditions, together necessary and sufficient, must obtain for deception to occur: The claim (1) is attended to by consumers; (2) affects beliefs; (3) is important; (4) is represented in long-term memory; (5) is objectively false. The sixth condition is that behavior must be influenced. The authors provide a review and evaluation of the literature relevant to each condition, and conclude that research supports the position that evaluative advertising is potentially deceptive. Finally, the nondeceptive consequences of evaluative advertising are discussed. Evaluative advertising can affect consumers' purchase intentions by inducing a low involvement processing strategy. Because the processing is low involvement, both skepticism and resistance to persuasion are inhibited; behavior is affected in a very subtle fashion. The authors conclude by stating that evaluative advertising is a relatively risk-free method of promoting a product.

Shimp, T. A., and Yokum, J. T.
1981 The Influence of Deceptive Advertising on Repreat Purchase Behavior. In K. Bernhardt and B. Kehoe (Eds.), Educators' Conference Proceedings. Chicago: American Marketing Association, in press.

Objectives: To test the effect of deceptive advertising on actual purchase behavior.

Method: Two experiments were conducted. In both experiments, a new cola was introduced under three advertising conditions: (1) factually deceptive; (2) puffed; (3) control (no product claim made). Two versions of the product were presented to the subjects: (1) normal level of cola sweetness; (2) oversweet (in the second experiment, this version was changed to undersweet). Ninety university students who were regular cola consumers participated in both experiments.

Variables: Independent: Ad type (factually deceptive, puffed, and control); product type (normal sweetness versus over/undersweet).
Dependent: Attitude toward the ad; purchase behavior.

Findings/Implications: In both experiments, the following results were obtained: (1) Beliefs and attitudes toward the ad changed negatively for both the factually deceptive and puffed ad following exposure to the cola products. (2) The more favorable the subjects' initial reactions to the ad, the more often they repeat purchased. (3) Repeat purchases were virtually the same across all three ad conditions, indicating that the deceptive ads could not sustain repeat purchases (because the ad claims were disconfirmed by actual product performance). A few other trends were obtained and discussed, but none of them were statistically significant.

Shimp, T. A.
1982 Evaluative Verbal Content and Deception in Advertising: A Review and Critical Analysis.

Shimp examines the phenomenon of evaluative advertising and the research that has been done on this topic. He notes that one of the unfortunate side-effects of advertising regulation has been a substantial increase in the use of subtle methods of deception (e.g., puffery) and a decrease in the information content of ads. A distinction is made between factual and evaluative advertising; Shimp cites evidence to show that the latter now predominates. The process of evaluative ad deception can be broken down into six steps: (1) the evaluative ad claim is perceived; (2) claim is believed and, typically, inferences about the product or ad are drawn; (3) the claim is salient to purchase decisions; (4) claim is stored in memory; (5) claim is in face false; (6) claim influences actual behavior. Shimp then segments the research that has been done to this point into three classes: (1) studies of how ad recipient goes beyond the manifest content in the ad; (2) the way in which evaluative claims affect beliefs; (3) effect of evaluative advertising on behavioral intentions. He suggests that there is a need for increased government--and self-regulation of evaluative advertising. He recommends that future research focus on (1) how deceptive advertising influences and sustains actual purchase behavior, and (2) nonverbal modes of deception.

Vanden Bergh, B. G., and Reid, L. N.
1980 Effects of Product Puffery on Response to Print Advertisements. In J. H. Leigh and C. R. Martin Jr. (eds.), Current Issues and Research in Advertising. Ann Arbor, Michigan: University of Michigan.

Objectives: To determine whether discrepancies between product claims and actual performance will be attributed to the messages and sponsors that use puffery. The authors compared puffery in print ads with accurate and understated product claims on changes in message- and sponsor-evaluation, message credibility, and intent to purchase. It was predicted that puffery would produce negative subject responses on these variables.

Method: Three newspaper ads for a pen were constructed for the purposes of the experiment. In one ad, the claims were overstated (puffed); in the second ad the claims were accurate; and in the third ad, the claims were understated. Participants were 81 undergraduate students at the University of Tennessee. No subject was a business, advertising, or marketing major. The subjects were randomly assigned to see one of the three ads. First, the subjects viewed the ad. Then they were asked to examine and use the pen, and the ads were presented to the subjects once again. Attitude toward the ads and the sponsor were measured by using a semantic differential scale; credibility and intent to purchase were measured by using a ratings scale. Difference between pre- and postexposure measures were analyzed as change scores.

Variables: Independent: Size and direction of the discrepancy between advertised and actual product attributes.
Dependent: Change in evaluation of treatment ads; change in evaluation of the sponsor; change in message credibility; change in intent to purchase the product.

Results: The puffed messages produced significantly more negative changes in all dependent variables compared to the understated message. In addition, the accurate and puffed groups did not differ on changes in message evaluation and intent to purchase; however, differences were obtained for sponsor evaluation and message credibility. The data indicate that not only is a puffed message potentially deceptive, it may also lead to negative impressions about the brand, ad, and company when the consumer encounters the claim-fact discrepancy.

Wilkes, R. E., and Wilcox, J. B.
1974 Recent FTC Actions: Implications for the Advertising Strategist. Journal of Marketing, 38, 55-61.

The authors argue that recent developments within the FTC pose a challenge to advertisers and marketers. The FTC now requires that any claim made in an ad be substantiatable. Tests of the claim must be produced on request from the FTC, because the FTC believes that if a claim is made in ad, consumers infer that tests were conducted. If the claim cannot be substantiated by scientific test, the ad is deceptive. In addition, product uniqueness claims, whether stated directly or implied, must be based on tests. Finally, even names of products may be challenged if the names imply a fact that is untrue. For example, the product Hi-C, manufactured by the Coca-Cola company, has been criticized by the FTC on the grounds that the name implies that the drink contains a great deal of Vitamin C, while, in fact, it does not. The FTC has typically dealt with deceptive ads in one of three ways: (1) Affirmative disclosure--the company is required to disclose information that limits a product claim or establishes its appropriate context; (2) Corrective ads--ads are designed to eliminate the effects of a deceptive ad, and a portion of the company's media budget is devoted to FTC--specified and approved corrective ads; (3) Counter-commercials--Independent groups are permitted to broadcast counter messages challenging contentious claims made in an ad. The authors therefore recommend to advertisers that (1) they consider their ads from the perspective of the consumer and the "reasonable man;" (2) they do not imply that an ad is unique if that implication cannot be substantiated; (3) they set up their own internal screening agencies to check out ads before they are directed to the public; (4) they exercise caution in claiming that tests have supported a particular claim and (5) they encourage industry to engage in more self-regulation.

Wilkinson, J. B., and Mason, J. B.
1978 Unavailability and Mispricing of Advertised Specials: The Food Shopper's Knowledge, Experience, and Response.
Journal of Consumer Affairs, 12, 355-363.

Objectives: To discover the behavioral response of consumers and supermarket personnel to the unavailability of advertised specials. Specifically, the following were assessed: (1) frequency with which shoppers encounter unavailable advertised goods; (2) behavior patterns of consumers when unavailability occurs; (3) response of supermarket personnel when confronted with the unavailability; (4) knowledge of unavailability and pricing regulations of the FTC.

Method: A total of 187 shoppers from the midwestern United States were randomly selected and personally interviewed. Participants were asked about their: (1) general food shopping behavior; (2) response to most recent unavailability experience; (3) knowledge of FTC regulations; (4) general socioeconomic characteristics. Those shoppers who could not recall an unavailability experience were asked to imagine what they would do in such a situation.

Variables: Shopping behavior; response to unavailability; knowledge of FTC regulations; socioeconomic characteristics.

Findings/Implications: Of the 187 participants, 104 could recall an unavailability experience in the previous six months. A difference between the advertised price and the price marked or charged was reported by 30%. About half the respondents claimed that they had been overcharged by a cashier on an advertised special. But despite these experiences, 61% said incorrect pricing was no problem, and 28% said it was acceptable.

While 56% of shoppers (104/187) recalled unavailability, 89% of those who regularly used a shopping list recalled such an experience. Of the 104 shoppers, 75 asked supermarket personnel about the unavailable item. Of the 75, 83% were offered a substitute or a raincheck. Ninety-five of the 104 shoppers continued shopping at the same store; only 12% said that unavailability caused any inconvenience. A few shoppers simply purchased the item at the higher price. Married shoppers tended to ask more often than singles, and rainchecks were most often offered to married shoppers with children and high incomes. Most shoppers knew of the FTC regulations.

Most of the participants who imagined an unavailability experience said they would complain to supermarket personnel; 32% said they would leave the store. Thus, there is a discrepancy between what shoppers imagine they will do and what they actually do.

Analysis

The goal of this report is to describe and discuss the dimensions that characterize recent research concerning misleading advertising, and to identify the findings that have emerged from this research. By now, empirical research has been conducted to determine whether particular ads or advertising techniques are deceptive, to specify the psychological processes that underlie the comprehension of advertising and the deception of the consumer, to measure the effectiveness of various remedies for deceptive advertising, and to identify the characteristics and extent of this troublesome practice. In addition, "conceptual" approaches to the issue have been formulated to develop a general definition of deceptive advertising, one which could be of use to all those concerned with misleading advertising. From these definitions follow various techniques for measuring deception. While no comprehensive "theory" of misleading advertising has been offered, most researchers have either explicitly or implicitly adopted a cognitive psychological perspective. The major sections of the report will address the definition and measurement of deception, the major research, issues and findings, methodological considerations, theoretical issues, and legal and public policy implications.

DEFINING DECEPTION IN ADVERTISING

Arriving at a definition of deception which will meet the needs of researchers, the advertising industry, the legal profession, and industry regulators will be important but difficult. The difficulty stems from the fact that these groups have different and sometimes competing interests: Advertisers want to avoid being unreasonably constrained by too stringent a definition; industry regulators and the legal profession want a definition which will be specific and rigorous enough to lead to successful prosecutions and which will protect the public from advertising industry abuses; and researchers

want a definition which can easily be operationalized so as to permit the measurement of deception. Defining deception is important because a unified definition could prevent misunderstandings among the different groups. In addition, it might make it easier to integrate the diverse research that currently addresses deceptive advertising.

A certain amount of agreement, however, does exist: Generally, it is agreed that a definition of deceptive advertising must take into account (1) whether the ad misrepresents reality in some significant way, (2) whether the beliefs acquired by some segment of the consumer population as a result of exposure to an advertisement are demonstrably false, and (3) whether the misrepresentation affects consumer beliefs in a material way. That is, the false beliefs should be ones which could affect purchase decisions. For example, Armstrong and Russ (1976) suggest that "deception occurs when a consumer perceives or believes an advertising claim (explicit or implicit) that is false, but that deception is of little concern unless the claim is relevant" (p. 24). Similarly, Aaker (1974) states that

> Conceptually deception is found when an advertisment is the input into the perceptual process of some audience and the output of that perceptual process (a) differs from the reality of the situation and (b) affects keeping both to the detriment of the consumer. (p. 139)

Shimp and Preston (1981) specify six conditions, together both necessary and sufficient, which must obtain for an ad claim to deceive a consumer: (1) The claim is attended by the consumer, (2) the claim or an implication of the claim affects beliefs, (3) the claim or implication is important, (4) the important claim or implication becomes represented in long-term memory, (5) the claim or implication is objectively false, and (6) behavior is influenced by either the claim or the implication. Shimp (1982) provides similar conditions.

Gardner's (1975) definition of deception does not refer to the salience of the advertising claim to purchase decisions:

> If an advertisement (or advertising campaign leaves the consumer with an impression(s) and/or belief(s) different from what would normally be expected if the consumer had reasonable knowledge, and that impression(s) and/or belief(s) is factually untrue or potentially misleading, then deception is said to exist. (p. 42)

However, Gardner's (1976) revised definition does introduce an important consideration, namely the issue of the average consumer and the relevant market segment of consumers.

> If an advertisment (or advertising campaign) leaves the <u>average consumer within some reasonable market segment</u> with an impression(s) and/or belief(s) different from what would normally be expected if the <u>average consumer within that market segment</u> had reasonable knowledge, and that impression(s) and/or belief(s) is factually untrue or potentially misleading, then deception is said to exist. (p. 7, our italics).

It is essential to take into account the type of consumer being assumed. For instance, assuming the consumer to be "average" rather than "ignorant" will result in a more lenient definition and, consequently, fewer cases of deceptive advertising will be identified. As well, the market segment to which the advertisement is addressed must be recognized. Certain groups of consumers, such as children and the elderly, may be particularly susceptible to being deceived; therefore, advertisements directed at these consumers should be monitored more carefully and rigorously.

In sum, the following points are common to several of the definitions that have been advanced: (1) An advertisement or advertisement claim misrepresents reality; (2) the advertisement claim is attended to and believed by the consumer, and the claim is stored in memory; (3) the claim could affect potential purchase decisions; (4) the general nature of the consumer and the consumer

market to which the advertisement is addressed are taken into account; and (5) explicit and implicit claims, as well as the overall impression left by the advertisement, must be examined for their potential deceptiveness.

THE MEASUREMENT OF DECEPTION

For deception to be detected, it is necessary to measure a person's understanding of a message. If consumer judgments are to be used rather than, for example, expert legal opinion, then some technique must be developed for assessing consumer reactions to potentially deceptive ads.

Gardner (1975, 1976) has proposed three techniques for assessing deception. (1) The normative belief technique involves first selecting the attributes that a given product may be expected to possess, and associating the existence of the attributes with certain probabilities. Then, following exposure to an advertisement for a product, subjects would be asked to give their own probability assignments to the attributes. If the subject's assignments differ substantially from the previously determined assignments, the advertisement is considered deceptive.

(2) The consumer impression technique involves simply asking subjects what was said in an advertisement. (3) The expectation screening procedure first requires the collection of norms concerning subjects' expectations that a product will possess various attributes or perform in particular ways. The expectations of subjects who had been exposed to advertisements for the product would then be compared with the expectation norms.

Gardner (1975) also provides criteria for judging measurement techniques. These specify that the measurement should (1) focus on consumer reaction, (2) allow the advertiser to be creative, (3) allow the advertiser to use truthful product claims, and (4) be flexible enough to be adapted to special

situations in the marketplace (p. 45). Of the three measures proposed by Gardner, the normative belief technique seems to best meet these criteria; and is used by researchers (Kuehl & Dyer, 1976, 1977; Dyer & Kuehl, 1978).

Armstrong, Kendall, and Russ (1975) and Armstrong, Gurol, and Russ (1979) have proposed a method of measuring deception called the salient belief technique. This measure is based on the idea that for an advertisement claim to deceive, it must be perceived, believed, and salient. The most substantial way in which this measure differs from Gardner's is in the emphasis on salience: For a deceptive advertisement claim to be of much concern, it must be salient to consumers and affect their purchasing decisions.

Both the normative belief technique and the salient belief technique require that the truth of a claim or its implications be externally determined. This requirement may create some difficulty, however, since it is the deceptiveness of the advertisement that is at issue. Therefore, the measures thus far advanced involve at least two major steps: First, it must be decided if the advertisement is deceptive using objective standards; second, consumers are tested to see whether or not their beliefs reflect the deception.

Olson and Dover (1978) offer a method which may avoid the objective determination of the truth of a claim. Subjects are divided into two groups, experimental and control. The experimental subjects see both a product and a potentially deceptive advertisement for the product, while the control subjects see only the product. If the beliefs of the experimental group differ significantly from those of the controls, then the advertisement may be considered deceptive. In addition, given the current state of our knowledge of this field, it may be premature to decide on one technique to be used by all researchers. Barbour & Gardner (1982) recommend that researchers remain flexible and receptive to the different techniques available, at least until more knowledge is acquired.

RESEARCH FINDING AND ISSUES

Much of the literature on deceptive advertising is devoted to determining whether particular advertisements and advertising techniques are deceptive. An advertisement, however, may be either blatantly or only subtly false. As an example of the latter, an advertisement may make a statement that is literally true, but that carries certain implications that are false or misleading. Another subtle form of deception is "evaluative advertising," advertising that conveys a favourable opinion or evaluation of thc product being promoted. Included in this cateogry are puffery and "social-psychological misrepresentations."

Blatant Deception

The incidence of blatant deception in advertising has decreased substantially in the past decade, but the practice has not disappeared. Blatant deception can be understood in terms of Gardner's (1975) claim-fact discrepancy: There is a substantial difference between the truth about the product and what the advertisement claims.

Several investigators have studied blatant deception. Olson and Dover (1978) presented advertisements to subjects which claimed that a brand of coffee was not bitter. The subjects were then asked to taste the coffee, which had been purposely made to taste bitter. Olson and Dover found that following exposure to the ad, subjects had a strong and false belief that the coffee was not bitter. The belief persisted even after the coffee was tasted, although not to the same extent. Shimp and Yokum (1981) conducted a similar experiment, using cola as the product. In addition to measuring beliefs and attitudes, they examined repeat purchase behavior. They found that beliefs about the product changed negatively following exposure to the cola (which was either over- or undersweet), and that the number of repeat purchases declined substantially.

This latter result indicated that the deceptive advertisement for the cola could not sustain purchasing behavior, because the advertisement claims were disconfirmed by the actual product performance. Thus, blatantly false advertising may deceive consumers initially, but beliefs change fairly rapidly once the products' performance is observed (although not necessarily to preexposure levels). As well, it appears that consumers do not continue to buy a product that does not perform as advertised. Of course, these findings do not excuse the practice: The consumer does purchase the product initially on the basis of the false claims made in the advertisement. Depending on the cost of the product, the consumer may be seriously hurt as a result.

Kuehl and Dyer (1978) investigated what may be considered a case of blatant deception in labelling. An all-turkey product was labelled "turkey-ham." This label received US Department of Agriculture approval because, according to the dictionary, "ham" refers to a specific cut of meat from any animal. Nevertheless, Kuehl and Dyer hypothesized that most consumers would believe that product contained more than one type of meat, because they would assume that "ham" referred to pork. If most consumers believed so, then the label should be considered deceptive. Consistent with their hypothesis, their subjects believed the product contained both turkey and ham. The authors therefore advised that the US Department of Agriculture reconsider its approval.

Blatantly deceptive advertisements have also appeared in various magazines. Diener (1977) examined a case of promotional deception. Advertisements were published by "Skincare Collections" in magazines offering free samples of various toiletries. The advertisement clearly indicated that the samples would be full-size, or at least, fairly large; but consumers received samples of only 1/30 of an ounce. Diener's study revealed not only that the subjects were deceived by the advertisement, but that they were also misled as to the sponsor of the advertisement. Virtually all subjects believed that the

manufacturers of the toiletries, and not "Skincare Collections," were responsible. In reality, the manufacturers were not aware of the advertisement. The manufacturers were angered to see their credibility seriously hurt by an advertisement for which they were not responsible.

Labarbera (1981) sought the opinions of magazine editors, advertising personnel, and advertising regulation officials to shed some light on why advertisements for weight reducers, bust developers, and the like are accepted by magazines, and why companies sponsoring them have not been prosecuted. These advertisements typically appear in the back pages of magazines and are generally regarded as blatantly deceptive. She found that many magazine editors considered such advertisements to be an important source of revenue, and were therefore reluctant to reject them. Industry regulators pointed out that the companies sponsoring the advertisements are difficult to prosecute because they incorporate and liquidate very quickly. It thus seems that although the advertisements are acknowledged to be deceptive, little is done to prevent them from deceiving many consumers.

A few studies of blatant deception have employed the salient belief technique. Armstrong, Gurol, and Russ (1979) found, using this technique, that Listerine advertisements were deceptive. Armstrong,Kendall, and Russ (1975) calculated both deception scores and salient deception scores after presenting deceptive advertisements to their subjects. The deceptive scores included beliefs about any deceptive claims, while salient deception scores included only claims relevant to purchase decisions (according to the consumers' standards of relevance). They found that although deception scores were quite high, salient deception scores were somewhat lower. Nevertheless, as many as 44% of their subjects were deceived by salient claims (contained in an advertisement for an insecticide).

The issue of salience is somewhat contentious. Glassman and Pieper

(1980) presented four advertisements to their subjects, each of which made a different claim concerning an attribute deemed salient by the FTC. They found that none of the attributes was considered salient by the consumers. Therefore, it may be most helpful to rely on consumer rather than FTC standards if the two standards do not coincide. Glassman and Pieper also found that acceptable advertisements were at least as effective as deceptive advertisements, perhaps because deceptive advertisements reduced credibility through exaggeration, while acceptable advertisements increased credibility through the use of qualifiers. Acceptance of statements in the advertisements judged deceptive by the FTC was quite low, indicating a certain skepticism among the subjects.

Deception by Implication

In part because the incidence of blatant deception in advertising has decreased in recent years, researchers have directed much of their attention to more subtle forms of deception. Advertising claims need not be patently false in order for a consumer to be misled; instead, the misleading message may be conveyed implicitly. The implication of the statement, and not the statement itself, would then be judged as either true or false. Deception by implication can be as misleading as blatant deception. Human understanding of verbal messages involves both the processing of what is explicitly stated and the derivation of what is implied (see, for example, Bransford, Barclay, & Franks, 1972; Clark, 1975; Harris & Monaco, 1978). As well, the less obvious nature of deception by implication means that consumers will have more difficulty in detecting its existence. Thus, although consumers may quite easily dismiss explicit falsehoods, they may not even be aware of their acceptance of deceptive implications.

Preston (1977) identifies and describes a number of different types of implications used by advertisers. Some of the more common categories include

(1) inconspicuous context implication, where context establishes or qualifies the truth of an advertising claim, but the context is inconspicuous; (2) uniqueness implication, where a claim is made that a product possesses certain features, but it is implied that only that product possesses those features; and (3) third party implication, where it is implied that a third party can or does back a claim made in an advertisement, when this is not true. Preston also provides examples of the various types of implications from actual advertisements, as well as FTC responses to their use.

A great deal of research has strived to determine the extent to which people draw inferences from advertising messages. Preston and Scharbach (1971) tested subjects' tendencies to accept logically invalid inferences in advertisements, newspaper stories, business memoranda, and personal letters. More illogical reasoning was observed in response to the advertisements than for the other message forms. Post-experimental interviews conducted with the subjects revealed that the advertisements were processed differently. Subjects suggested that advertisements are different from almost all other message forms in that a response from the advertisement recipient is expected by the communicator. Because of this, subjects felt they processed the advertisements more leniently, allowing illogical inferences. The subjects supplied the inferences which they assumed were consistent with the message the advertisers intended to convey. This does not necessarily mean that the subjects believed the message; they simply drew inferences which they felt were expected from them.

A series of studies by Harris and his associates (Bruno, 1980; Bruno & Harris, 1980; Harris, 1977; Harris, Dubitsky, Connizzo, Letcher, & Ellerman, 1981; Harris, Dubitsky, Perch, Ellerman, & Larson, 1980) have shown that subjects have a considerable amount of difficulty in discriminating the assertions and implications of advertising messages. For example, taking Eradicold Pills as directed will get you through a whole winter without colds asserts the

effect of Eradicold, and the advertiser would presumably have to be able to substantiate the claim. On the other hand, the statement get through a whole winter without colds, take Eradicold Pills as directed only implies the effectiveness of the pills. The two sentences are simply juxtaposed, and the reader/listener infers the causal relation (i.e., that the pills will prevent colds). If subjects cannot discriminate assertions and implications, they would tend not to see that a factual claim about the product is implied, a claim which the advertiser may not be able to substantiate. Even following extensive training, subjects have difficulty making the discrimination in question.

Shimp (1978) identified another type of deceptive implication, namely the incomplete comparison. Many advertisements contain statements such as "Cougar is built better to give you more." A comparison is made, but the comparative referent (i.e., what the advertised product is being compared to) is omitted. Shimp suggested that these types of ads are deceptive because subjects tend to supply the referent themselves, and later believe that the referent was stated in the advertisement. Consistent with this suggestion, Shimp found that subjects believed the Cougar advertisement had said "Cougar is built better to give more luxury and sportiness." Because this claim may be false, the advertisment may be deceptive. Furthermore, for some advertisements that Shimp presented to his subjects, no one referent was generally chosen. Therefore, incomplete comparisons are deceptive because they may permit many interpretations, some of which may be false, and all of which go beyond the manifest content of the advertisement.

Both Consumer and Corporate Affairs in Canada and the Federal Trade Commission in the United States have recognized that deceptive implication is a serious problem in advertising. Rotfeld and Preston (1981) cite a number of cases in which the implications of advertisements were challenged by the FTC.

Empirical evidence is especially valuable in deciding such cases, both to provide evidence that the implication is conveyed by the advertisement, and to demonstrate that the advertisement itself is deceptive.

Evaluative Advertising

One of the more widely discussed forms of deception by implication is evaluative advertising. Puffery is one example of evaluative advertising, advertising in which the product or service is evaluated (generally in a favourable way). Another example is the social psychological representation (Shimp, 1979), in which a product is described as possessing qualities which actually exist in the consumer's mind or in the social environment, rather than in the product. A puffed statement includes claims such as "our product is the best;" a social psychological representation includes statements such as "our toothpaste is sexy (or will make you sexy)." Such evaluative statements are not legally considered deceptive because it is assumed that (1) produce sponsors have the right to evaluate their product and present those evaluations to potential consumers, and (2) consumers recognize that sponsors will do so, and will not be so naive as to believe such obviously subjective claims. This legal position is now being seriously questioned, as data and common sense reveal that puffery and evaluative advertising can be deceptive.

Shimp and Preston (1981) and Shimp (1982) point out that there has been a substantial increase in the use of evaluative advertising generally, and puffery specifically, as regulation of the advertising industry has intensified (see also Preston, 1975). Two reasons for this phenomenon are provided: (1) In many instances, competing brands of the same product may be virtually indistinguishable, so factual advertising will not set off a company's product from its competitors. (2) It is more difficult for regulatory bodies to challenge evaluative claims than factual claims, since factual claims can be readily

verified, while evaluative claims cannot.

Shimp (1979) has suggested that social psychological representations (SPR's) are deceptive because the property being promised (e.g., sexiness) is not a part of the product. Qualities such as "classiness," and "sexiness," are not objective properties. In other words, toothpastes are not sexy; people perceive this quality based on their subjective experiences and evaluations. Consumers must invoke their own knowledge to make sense of vague and subjective claims; and because this knowledge will vary from consumer to consumer, some of the interpretations will be incorrect. Consequently, advertising employing this technique is deceptive. Nevertheless, the technique is also quite popular. Shimp found that inadvertisements for airlines, deodorants, shampoo, beer, and soft drinks, over 70% of all claims were SPR's. Automobile and automobile product advertisements included the fewest SPR's. Shimp points out that the trend is for products to rely on SPR's if they have few objective properties that would distinguish one product from another.

Oliver (1979) claims that puffery does influence purchase decisions, both by increasing the certainty of performance outcomes, and affecting consumers' evaluations of those outcomes. That is, puffery strengthens the consumer's beliefs that a product will perform in the ways promoted by the advertiser, and causes consumers to evaluate the performance positively and favourably. Oliver takes issue with the notion that consumers, on the basis of product performance, easily disconfirm exaggerated and puffed claims, and so cease buying the product. There are some situations in which disconfirmation is impractical, such as: (1) when a claim is made that a buyer will be more attractive, or have "more class," since these sorts of claims are not easily objectively falsified; (2) when an extremely technical claim is made, since most consumers will not have the means to verify such a claim; and (3) when a comparative claim is made for an expensive product, such as "our car is most

comfortable," since it is obvious that consumers cannot purchase three or four cars and then compare their performance. In addition, consumers are sometimes motivated to ignore disconfirming evidence, particularly if a large financial or psychological investment has been made in the product.

Empirical studies of puffery support the arguments of Oliver, Preston, and Shimp. Rotfeld and Rotzoll (1980) found that 40% of their subjects perceived and believed puffed claims. Vanden Bergh and Reid (1980) presented advertisements for pens to subjects. The advertisements were either understated, accurate, or overstated (puffed). The results indicated that the puffed advertisements were deceptive. Perhaps even more interesting, however, was the finding that the puffed advertisements were responded to negatively by the subjects. Ratings for puffed advertisements were lower on the dimensions of sponsor evaluation and message credibility, compared to ratings for the accurate and understated advertisements. Therefore, it appears that puffery not only deceives, but its use can also hurt the credibility of the advertised message and even the product manufacturer.

In conclusion, both argument and empirical evidence support the claim that puffed statements are believed by consumers and, as a result, influence potential purchase decisions. Two final points should be made. First, if puffery were not effective and not believed by consumers (as the law-assumes), advertisers would probably not use it. Second, the question of what is factual and what is evaluative is far from clear. For example, the term "luxurious" is generally treated as an evaluative or puffed claim, i.e., as a subjective appraisal of some advertised product. However, "luxurious" does evoke in some consumers the expectation that the product will possess certain specific physical features. In other words, the question of what is to be considered a factual claim and what is to be considered an evaluative claim needs to be

resolved empirically. Perhaps research could be conducted to determine the way in which consumers apply these labels.

Generally, the research conducted to this point clearly suggests that many advertising techniques are deceptive. In addition, the use of these techniques seems quite widespread. Wilkinson and Mason (1978) found that over half of the shoppers they interviewed had been unable to purchase an advertised special because of unavailability of the product. According to Schutz and Casey (1981), consumers rank misleading advertising as a problem above unsafe products and poor store service.

A number of remedies to the problem of deceptive advertising have been proposed. It is acknowledged by most individuals working in the field that there is a need for some sort of advertising industry regulation. Many advertising industry personnel and marketing researchers recommend that the advertising industry engage in greater self-regulation. Others feel that it is necessary to have the industry regulated by an independent body. In this regard, it is interesting to note the results of a study conducted by Rosenberg, Poirier, and Tremblay (1978). The researchers interviewed advertising agency executives and found that (1) the executives believed that their loyalties lay with the advertising agency and client, rather than with the consumer; (2) they did not feel the advertising industry should be externally regulated; and (3) they did not believe that the industry would regulate itself. It is difficult to draw conclusions on the basis of one study, but a case can be made that some sort of independent regulation of the industry is advisable and would protect the consumer from abuses.

Corrective Advertising and Counteradvertising

One of the most widely discussed and researched remedies for misleading advertising is correct advertising. Many experimental studies of its effectiveness

have been conducted, virtually all supporting the argument that they reduce the number of false beliefs produced by a deceptive advertisement (Armstrong, Gurol, & Russ, 1979; Bernhardt, Kinnear, Mazis, & Reece, 1980; Dyer & Kuehl, 1974, 1978; Hunt 1973a, 1974; Mazis & Adkinson, 1976), although not quite to the level of those subjects not exposed to the deceptive advertisement (Armstrong, Gurol & Russ, 1979; Dyer & Kuehl, 1978). As well, the effects of the source of the corrective advertisement have been examined, but the evidence is contradictory. Most experiments indicate that FTC-source corrective advertisements are more effective than company-source advertisements (Dyer & Kuehl, 1974, 1978), but Mazis and Adkinson (1976) found just the opposite. Effectiveness is also enhanced if the attack on the deceptive advertisement is specific (Hunt, 1974). Finally, Jacoby, Nelson, and Hoyer (1982) warn that corrective advertisements must be carefully constructed so as to avoid further confusing the consumer. Jacoby et al. tested actual corrective advertisements proposed by the FTC. They determined that the corrective advertisements were misunderstood because the message conveyed to their subjects contained more than one concept (i.e., two points were conveyed in a single message) and was phrased negatively (i.e., contained the word "not").

Another remedy proposed by the FTC is counteradvertising. A counteradvertisement is one which challenges the assertions of another advertisement. Counteradvertising has received far less attention in the literature than corrective advertising perhaps because it has rarely been recommended and is somewhat controversial. Hunt (1973b, 1974) found that counteradvertising is as effective in dissipating false beliefs produced by a deceptive ad as corrective advertising. Diener (1977) describes an interesting case in which a company (Bonne Bell cosmetics) ran a counteradvertisement which criticized the advertisement and the practices associated with an organization called "Skincare

Collections." The counteradvertisement was run because Bonne Bell felt that its credibility had been hurt by the Skincare Collections advertisement. The counteradvertisement emphasized that Bonne Bell was not responsible for the deceptive advertisement, and disapproved strongly of using deceptive techniques in advertising.

Comprehension: Extracting Information from Advertisements

A final focus of research interest has been the overall informativeness of advertising and the way in which advertisements are understood. Resnik and Stern (1977) conducted a content analysis of 378 television commercials in order to determine the extent to which they were informative. Information was operationally defined using 14 criteria; only one criterion had to be satisfied for the advertisement to be classified as informative. The analysis revealed that less than half of the advertisements were informative. If two criteria had been required, only 16% of the advertisements could have been so classified; if three criteria had been required, the figure drops to 1%.

Not only is advertising fairly uninformative, it is also quite poorly understood. Cunningham and Cunningham (1977) found that some subjects could not provide the meanings of terms commonly used in advertising. On the other hand, the authors failed to consider the fact that advertising frequently coins its own terms, and the correct meanings of those terms are rarely provided. As a result, consumers make their own judgments of what the terms might mean, so it is not surprising that they frequently make mistakes. Finn (1980) showed that subjects exposed to advertisements for toothpastes tended not to make the same assumptions as subjects not exposed to the advertisements. The advertisements did not mention whether the toothpaste was priced comparably to other brands, nor did they mention whether the toothpaste had the American Dental Association (ADA) seal of approval. Compared to the control subjects, experimental subjects

who saw the advertisements tended not to believe that the toothpaste was priced comparably or that it had the ADA seal of approval.

In a similar view, Jacoby, Moyer, and Sheluga (1980) argue that it is unreasonable to expect that the comprehension of advertisements should be complete. Relatively high rates of miscomprehension have been associated with communication forms other than advertising. Therefore, an advertisement should not be judged deceptive simply because it is misunderstood by subjects. It must first be determined whether miscomprehension is the result of deception included in the advertisement, or of some other factor.

Summary

In summary, the following research issues and findings are noteworthy.

1. Blatantly deceptive advertising claims tend to be easily disconfirmed by consumers once the claims are compared with actual product performance.

2. Deception can be subtle, such as when deceptive claims are conveyed implicitly. Consumers draw inferences from advertising messages, and often treat the implied ideas as asserted facts. It is difficult to train consumers not to do so.

3. Puffed statements are believed and are treated as statements of fact. Therefore, puffery can influence potential purchase decisions.

4. Corrective advertisements have the effect of dissipating false beliefs produced by deceptive advertisements.

5. Counteradvertising also has the effect or dissipating false beliefs produced by deceptive advertisements.

6. Many advertisements do not convey much information.

7. Consumers are not very good at understanding advertising messages, but this difficulty in comprehension is not restricted to advertising messages.

In addition, the following observations have been made:

8. The incidence of blatant deception in advertising has decreased substantially in recent years, perhaps as a result of industry regulation.

9. Blatant deception continues to be a problem in more obscure media, such as the backs of magazines.

10. The use of puffery and evaluative advertising has increased substantially in recent years, in part as a result of industry regulation.

METHODOLOGICAL ISSUES

Because the empirical investigation of misleading advertising is a relatively new endeavour, many methodological questions have presented themselves. The questions revolve around three main issues: (1) Which methods should be used, (2) which samples/populations should be examined, and (3) should the research be done in the laboratory or the field?

Methods

The methods to be considered in this section are (1) surveys, (2) experimental questionnaires, (3) experiments, and (4) content analysis. These methods will be defined as follows: (1) Survey--The experimenter obtains a measure of the subjects' beliefs, attitudes, and opinions, by administering a questionnaire to the subjects or conducting an interview. The experimenter does not introduce any manipulation into the study; s/he simply records the subject's scores or values on the dependent measure. Included in this category are both the questionnaire and the interview. (2) Experimental questionnaire--the experimenter manipulates at least one variable (the independent variable) and records values of the dependent variable. The values of the dependent variable should differ systematically as a result of the experimental manipulation. The dependent variable is measured by administering a questionnaire to the subjects. (3) Experiment--This method is the same as the experimental

questionnaire, except that the dependent variable is not measured by a questionnaire. Rather than asking subjects to state their opinions or beliefs, these characteristics are measured more indirectly. This may be done in innumerable ways, such as by scrutinizing the subjects' purchasing behavior in the field, or in an artificial task. The results are then interpreted as either supporting or not supporting the experimental hypothesis. (4) Content analysis--The content of an advertisement is analyzed to determine the extent to which it contains various previously determined characteristics.

Surveys. The survey technique is one of the least used methods in the misleading advertising literature. Since the experimenter does not manipulate any independent variables, the information obtained by this method is somewhat limited. Many individual advertisements have been tested for their deceptiveness in this way; but typically, the surveys are conducted to resolve a case in court. If the survey does not reveal anything of general interest, it is usually not published. Studies in which the survey method was used include those of Cunningham and Cunningham (1977), Rotenberg, Poirier, and Tremblay (1978), Schutz and Casey (1981), and Wilkinson and Mason (1978).

A slight variation on the survey technique is the interview, sometimes employed in conjunction with a survey. For example, Rotenberg et al. (1978) personally interviewed their subjects after the subjects had completed a self-administered questionnaire. Labarbera (1981) asked advertisers and advertising regulators for their opinions on a particular form of deceptive advertising. Finally, Kuehl and Dyer (1978) interviewed consumers and found that the consumers' beliefs about a product label contradicted the reasoning underlying the label's approach by the US Department of Agriculture.

It is helpful to augment a survey with demographic data. Information such as age, occupation, and education should be requested. The information can be used to determine whether the respondents are representative of the population

to which the researcher wishes to generalize. As well, it is important to deal with the problem of nonresponse. If too many individuals refuse to participate, and if the pattern of nonresponse biases the data, or both; then the survey may be considered methodologically unsound. Roshwalb (1980), for example, described a case in which the court discounted a survey because of the high rate of nonresponse. The advantages associated with the survey and interview techniques are that (1) a straightforward question can be posed, and (2) it is easy to obtain a large number of subjects.

Experimental questionnaires. Perhaps the most widely used technique in the study of misleading advertising is the experimental questionnaire. Almost all of the studies in which an independent variable is manipulated fall into this category. Typically, the subjects are first exposed to an advertisement. Then, their beliefs, attitudes and intentions are measured by a questionnaire (e.g., Armstrong,Gurol, and Russ, 1979; Armstrong, Kendall, and Russ, 1975; Barbour and Gardner, 1982; Berhnardt, Kinnear, Mazis, and Reece, 1980; Diener, 1977; Dyer and Kuehl, 1974, 1978; Finn, 1980; Glassman and Pieper, 1980; Hunt, 1973a, 1973b, 1974; Jacoby, Hoyer and Sheluga, 1980; Jacoby, Nelson, and Hoyer, 1982; Rotfield and Rotzell, 1980; Shimp, 1978; Shimp and Yokum, 1981). This technique is popular because while it permits the researcher to introduce a variable which s/he believes would be of interest, it also permits the measurement of beliefs and attitudes (the typical dependent measure).

Experiments. Some experimental investigations of misleading advertising have not relied on questionnaires for the measurement of the dependent variable. Instead,

the subjects' behavior in different conditions is interpreted as either supporting or not supporting the hypothesis which guides the study. Such experimental methods have been used by Harris and his associates (Bruno, 1980; Bruno and Harris, 1980; Harris, 1977; Harris, Dukitsky, Connizzo, Letcher, and Ellerman, 1981; Harris, Dubitsky, Perch, Ellerman, and Larson, 1980). In these studies, subjects have been tested to determine whether they can discriminate between a message's implications and assertions. The subjects are asked to rate assertions and implications from "probably true" to "probably false" (on either a five- or seven-point scale). The results are analyzed to determine whether subjects assign higher truth ratings to assertions than implications. If not, it may be concluded that subjects treat implications as assertions; and, as a result, are deceived by the advertisements in which they appear.

In another study, Barbour and Gardner (1982) asked subjects to provide estimates of the cost of installing new tires on their own cars, based on advertisements for tires that the experimenters presented to them. The subjects' estimates were then compared to previously obtained actual estimates. If the discrepancy between the two estimates was great, the advertisement was judged deceptive.

Olson and Dover (1978) and Shimp and Yokum (1982) used the actual products promoted in the advertisments they presented to their subjects as materials in their studies. The subjects reactions to the product constituted the dependent measure. The Shimp and Yokum study even examined repeat purchase behavior, in an attempt to determine whether deceptive ads could affect and sustain purchase behavior.

Many of the studies that use experimental questionnaires or other experimental techniques employ control groups. Subjects are assigned to two or more groups. One (or more) groups receive the experimental treatment, and one (or

more) others receive no treatment. This method helps to isolate the effects of the manipulated variable: The responses of the experimental subjects are compared to those of the controls. It is important to ensure, however, that the dependent measure is sensitive enough to reflect the different responses, and that the manipulation is strong enough to differentiate the groups clearly. As well, the control and experimental groups should be as similar as possible. If there are confounding differences between the experimental and control groups, it becomes harder to interpret any differences that are obtained.

The increase in control resulting from use of experimental methods is sometimes offset by the reduced naturalness of the task and/or materials. For example, Monaco and Kaiser (1982) have pointed out that in an experiment, presentation of the advertisements is a signal to subjects to pay close attention, because the subjects know that testing will later take place. In the natural setting, on the other hand, a person watching television often treats commercials as a signal to direct attention elsewhere (e.g., leave the room, engage in conversation). It is therefore possible that advertisements are processed differently in experiments than in the natural setting. If advertisements are indeed attended to less carefully in "the real world," it is likely that the consumer is more easily deceived than the experimental subject.

Content analysis. A final method that will be discussed briefly is content analysis. This method was used by Marquez (1977), Resnik and Stren (1977), and Shimp (1979). This technique is typically used to assess the content and characteristics of advertising messages. To use this method effectively, the researcher must first specify the characteristics s/he is looking for, and the criteria by which it

will be decided whether or not the characteristics are present. It is then useful to have a few independent judges analyzing materials, with checks made for inter-rater reliability.

Population and Sample

It is a familiar problem in the social sciences that, while the researcher is ultimately interested in a population of individuals, data must be gathered from a subset, or sample, of the population. This is because the researcher has neither the time nor the money to test each population member, and likely does not have access to the whole population.

There are familiar statistical procedures which permit the researcher to decide whether it is possible to generalize a finding from the sample which yielded it to the entire population. The major problem in gathering data from samples concerns the issue of whether the sample is representative of the population to which the researcher wishes to generalize. In this regard, university students may be quite different from the "average consumer." Random samples and samples obtained from shopping malls, mailing lists, and the like must be checked (typically against census data) to determine whether the sample is peculiar in any way.

University students have been the most popular subjects used by researchers of misleading advertising. They are easily recruited and are usually willing to participate in more time-consuming and complicated studies. University students do differ in many significant ways from the average consumer, and these differences should be kept in mind. Students are younger, better educated, and more affluent than the general population. Students may also have different attitudes and concerns than most consumers, as a result of their age, lifestyle, and immediate needs and goals. Data obtained from studies using students may be

biased toward the more critical and well-educated consumer. On the other hand, students may also represent the less careful consumer. It is perhaps fair to say that although students may be less accepting of advertising messages, they are less careful about their purchase decisions (because of their life-styles).

Business students have even more specific characteristics. They may be especially familiar with the issues surrounding the question of deceptive advertising, as a result of exposure to material covered in their courses. This familiarity would tend to make the student a more critical subject. Furthermore, many experiments in which business students would be asked to participate may request that the subjects evaluate the seriousness of deceptive advertising practices, or simply that they judge whether a particular advertisement is deceptive. Terhune (1975) measured, however, a correlation between one's attitude toward advertising and business, and one's tendency to notice deception in advertising: Namely, the more sympathetic the student was to advertising and business, the less likely it was that the student would perceive the deception. Attitudes do tend to cluster; business students may be reluctant to criticize the interests to which they feel a certain loyalty.

Participants for studies can also be recruited from shopping malls and community groups, or be selected randomly from a telephone book. If participants are chosen in these ways, the researcher will have to be prepared to deal with relatively high rates of nonresponse. In addition, such participants may be more reluctant to participate in time-consuming studies.

Jacoby, Nelson, and Hoyer (1982) did not rely on a single type of sample. Instead, subjects were chosen from three different subgroups: university students, community club members, and blacks. While no differences were detected, this strategy may be useful if one wishes to examine the effect of sample.

Products

The nature of the product being advertised to subjects in these studies is also a methodological concern. The important question the researcher must resolve is whether to use real or fictitious products and advertisements. Finn (1980) used fictitious advertisements because he was interested in belief change in experimental and control subjects. To compare the two, however, it was necessary to insure that they brought to the experimental situation similar or no beliefs about the brand. The best way to insure that this was the case was to use fictitious products and advertisements.

One difficulty with the use of fictitious materials is that they make it more problematic to generalize findings to the real world (Monaco & Kaiser, 1982). In theory, such advertisements should be compared only to actual advertisements for new products on the market. The effects of prior preference, brand loyalties, and repeated exposure to the same advertisements are powerful enough to make the generalization hard to justify. Again, the benefit derived from greater experimental control has to be weighed against the costs associated with possible artificiality.

Researchers should note that a quite narrow range of products has been examined in the deceptive advertising literature. Most of the products have been food, health and beauty advertisements, or automobiles or automobile products. (Listerine mouthwash has attracted a considerable amount of attention). Perhaps this trend simply reflects the fact that the above products are the ones both most often purchased by North American consumers and the most heavily advertised. Nevertheless, it would be interesting to study advertising for products such as housing (e.g., apartments, condominiums, houses), technological products (home and business computers, video games, stereos and televisions), and so on. In addition, considering the growth and importance of the services industry, researchers should investigate deceptive advertising for professional services

(doctors, lawyers, architects), investment schemes, banks, building contractors, and other services.

Media

The medium in which an advertisement appears has not been studied extensively or systematically. Product labels, billboards, and radio have been neglected somewhat. Television and magazine are the most typically used media. Few researchers have manipulated medium (medium as the independent variable) in order to determine whether different media produce different reactions to deceptive advertising messages. A notable exception is a study by Schutz and Casey (1981), in which eight major media were studied: telephone, mail bulletin, television, home distributed bulletin, magazines, radio, classified ads, and newspapers. This study reveals that medium is a significant variable for public policy decisions. Schutz and Casey found, for instance, that telephone advertising was perceived by subjects as seriously misleading; unfortunately, telephone advertising is difficult to monitor because there is no record of the message.

Setting

Social scientists have long debated the relative merits of naturalistic and laboratory research. Naturalistic research has the advantage of being comparable to real world situations; the issue of validity is less of a problem. On the other hand, the researcher has little or no control over events; and therefore, there is a greater likelihood that extraneous variables will confound the results. Laboratory research has the advantage of allowing the researcher greater control over the study: extraneous variables can be dealt with, and variables of interest can be isolated and manipulated. The disadvantage associated with laboratory research is that the applicability of the study

to real world situations can be questioned. Harris et al. (1980) addressed these issues by replicating previous experimental studies in a more naturalistic context. Thus, researchers might consider first employing more controlled methods, and then gradually lessening the degree of control to more closely approximate the natural setting. It should also be noted that because deceptive advertising research is, to a large extent, concerned with actual products and actual advertisements, it is almost inevitable that much of the research will be naturalistic.

THEORETICAL ISSUES

It is fair to say that few original theoretical formulations have emerged from research concerning deceptive advertising. This is not surprising, since fundamentally, deceptive advertising is a practical problem, and much of the research is conducted for the purpose of clarifying the decisions that should be made in the realm of public policy. In addition, it would not make much sense to have a unique psychological theory to explain how consumers understand and misunderstand advertising messages. Instead, the problem should be considered from the perspective of applied theory: the most helpful theory for explaining how people understand advertising should be adopted from psychology or other disciplines. This is the approach that seems to have been taken: most researchers have adopted a cognitive psychological perspective. More specifically, Fishbein's theory (Fishbein & Ajzen, 1975) has received extensive reference. According to Glassman and Pieper (1980), the concepts of belief and inferential belief are particularly relevant for assessing deception in advertising: (1) A <u>belief</u> is a subjective probability that a relationship exists between two concepts. Beliefs can be salient or non-salient: Salient beliefs are those that affect intentions and behavior. (2) An <u>inferential belief</u> is the result of a relationship formed on the basis of another belief. The

characteristic of Fishbein's theory, and of cognitive theories generally, that makes these theories useful to the field of deceptive advertising is the focus on beliefs, attitudes, evaluations, and intentions. Consumers presumably acquire beliefs and attitudes as a result of exposure to advertising, and their beliefs and attitudes later influence behavioral intentions.

The research, however, has generally not been guided by theoretical considerations. As a result, the research has not been particularly systematic. Researchers have frequently failed to address themselves to previous work, and suggestions for future studies are frequently not acted on. Consequently, it is sometimes difficult to interpret the significance of a particular study. It is important to be able to extract some generalizations from the research. In other words, a research program or strategy should be devised, the goals of which should be very clear, so that data-gathering can be carried out in a systematic and purposeful fashion.

LEGAL ISSUES

It is now widely held that consumer research is extremely helpful in resolving legal questions. Armstrong, Gurol, and Russ (1980) cite legal, researcher, and advertising industry opinions, all of which emphasize the importance of obtaining evidence from consumer research. Bernhardt and Stiff (1980) point out that the FTC has tended to rely more and more heavily on the results of this work as evidence in court. This trend represents a break with previous attitudes and opinion, when surveys in particular were considered inadmissible as evidence (Morgan, 1979). Eventually, surveys were accepted as admissible, and the emphasis shifted from the hearsay objection to questions of methodology: Rather than dismissing consumer research as "out-of-court evidence" presented to resolve an issue, the research was evaluated according to criteria of proper experimental methodology. Currently, if consumer research

is offered as evidence in court, the study is scrutinized carefully to determine whether the procedure was carried out properly; whether the sample was obtained in an unbiased and appropriate fashion; and whether the data were analyzed correctly.

Roshwalb (1980) described the controversy that resulted from surveys conducted on behalf of Litton Industries. The surveys were challenged for two reasons: (1) the researchers did not determine whether there was a bias of nonresponse. A substantial number of those who were asked to participate refused to do so. It remained a possibility that the inclusion of those who refused to participate would have changed the results of the survey. (2) The independence of the survey was challenged, because the survey was designed by Litton industries before being turned over to an outside agency. Although considerations such as these will not necessarily result in a study being ruled as inadmissible, it can create problems for the party presenting the study; therefore, every precaution should be taken to insure that the study is methodologically sound.

Researchers themselves have offered recommendations on how the law could be altered to accomodate the findings from empirical research. Cohen (1974) suggests that the concept of unfairness be treated separately from the concept of deception. An advertising practice should be deemed unfair if (1) claims are made that cannot be substantiated, (2) the advertisement encourages special audiences (such as children) to engage in actions harmful to themselves, and (3) promises are made that cannot be fulfilled (e.g., "Our toothpaste will beautify your smile").

The law has recognized that the implications of advertising messages and the general impression created by an advertisement can deceive consumers and should therefore be analyzed in the same way as actual assertions. Nevertheless, puffery is still not considered deceptive. This position seems somewhat contradictory, for puffery is a form of evaluative advertising, and thus implicitly

conveys potentially deceptive messages to consumers. Most individuals working in the field of puffery argue that it is deceptive and should therefore be treated as such by the legal profession (Preston, 1975; Rotfeld and Preston, 1981; Rotfeld and Rotzoll, 1980). Recognizing puffery as a deceptive advertising practice is an example of one of the ways the law could be modified to be consistent with the information available from empirical research.

PUBLIC POLICY

The FTC in the United States must make public policy decisions that will protect the public from advertising industry abuses and protect companies from unfair competition. The results of a study by Schutz and Casey (1981) reveal the need for the existence of a neutral third party set up to protect the consumer. Schutz and Casey asked their subjects to name the agencies to which they had complained about deceptive advertising practices, and to describe the degree of their satisfaction with the results. The subjects stated that they were most satisfied when they complained to the Consumers' Bureau or to an attorney-general. They were least satisfied when they complained to the Better Business Bureau, the seller of the product which the deceptive advertisment promoted, or the advertiser. In addition, it may be inadvisable to rely on the advertising industry to regulate itself. Although advertising executives do not believe the industry should be regulated by an outside commission, they also do not expect that advertisers will regulate themselves (Rotenberg, Poirier, & Tremblay, 1978). On the other hand, if the advertising industry is aware that advertisements are externally regulated, advertisers may take positive steps to regulate themselves in an effort to avoid legal problems.

In this vein, Wilkes and Wilcox (1974) outline the implications of FTC actions for the "advertising strategist." They recommend that advertisers (1) consider their advertisements from the perspective of the consumer and the

"reasonable man," (2) do not imply that a product is unique if that implication cannot be substantiated, (3) set up their own internal screening agencies, (4) exercise caution in claiming that tests have been conducted and support a particular claim, and (5) encourage the industry to engage in more self-regulation. If these recommendations were followed, the regulatory body could save itself much time and resources; the main point, however, is that the existence of such a body provides incentive to the advertising industry to think twice before sponsoring an advertisement that is deceptive.

If a deceptive advertisement is published and brought to the attention of the FTC, the FTC will proceed through a series of steps. These steps are described by Hunt (1977). (1) It is determined whether the advertisement is false or deceptive. Communication specialists and public opinion researchers are typically contacted. (2) It is decided whether the advertisement should be stopped. If so, an injunction is obtained. (3) The FTC resolves whether false beliefs may linger on in the minds of consumers. If the FTC suspects that they will, corrective advertising is considered. (4) The FTC estimates the likelihood that the company will again engage in the deceptive practice. If it seems likely, a cease and desist order is obtained. (5) It is determined whether the practice is common in the industry. If the practice appears to be common, one of three actions may be taken: Advertising substantiation may be demanded from companies making the contentious claims; a trade regulation rule maybe established; or a cease and desist order binding on all firms in the industry may be obtained.

A number of trends are currently observable within the FTC (Mazis, 1980). These trends include: (1) a general move away from advertising regulation, (2) an increase in industry deregulation, (3) an emphasis on cost and "pocketbook" issues, (4) an increase in health and safety regulations, (5) a decrease in public bans on products, (6) an emphasis on consumer information approaches,

(7) a shift away from broad rule-making toward a more case-by-case approach, and (8) greater sympathy toward business interests a result of the increase in business influence in Congress. Bernhardt and Stiff (1980) add the following as areas of future importance: (1) credit programs, including debt collection practices and deficiency judgments; (2) comparative disclosures, which provide comparative information about products and enable consumers to make more informed purchase decisions; (3) product quality and defects, particularly concerning housing and automobiles; (4) the marketing of and advertising for professional services; (5) implications of new media (e.g., videodisc, cable communications) for marketing and advertising; and (6) energy, health care, food, and transportation as products of most concern.

Boddewyn (1982) cites some of the "global forces" that affect advertising industry regulation. These forces include: (1) consumer protection; (2) the growth of the services industry, producing the need to protect the public against abuses and deception in insurance and investment schemes, the mail-order industry, and the like; (3) fairness and vulnerable groups, including the issue of advertising directed at children, and advertising in underdeveloped countries; (4) trade protection demands from industry, which tend to increase during times of economic recession; (5) environmentalism and conservation, which movements have attacked outdoor advertising; (6) civil rights and privacy, including the issue of ethnic and sexist stereotypes contained in advertisements and the violation of privacy associated with unsolicited mail and phone calls; (7) religion morality, and taste, such as the protests over advertisements for feminine hygiene products and the sexual innuendoes used in advertising; (8) recession and inflation, where recession typically leads to demands for greater trade protection, and inflation to pressure from consumers for more information so that shrinking incomes can be spent more wisely; and (9) deregulation, a phenomenon which, though often associated with politically conservative and economically depressed times, can lead to industry abuses.